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PARIS, MONDAY, AUGUST 1, 1988

Closing the Triangle in Trade

## **EC and Japan** Try to Form **Stronger Ties**

By Reginald Dale International Herald Tribune
BRUSSELS — As they grow in stature as economic powers, the European Community and Japan have begun to realize that they both have closer relations with the Unit-

ed States than they do with each other, and that the disparity needs to be remedied.

European and Japanese officials say the Brussels-Tokyo axis is the weak side of the triangle," the three-cornered relationship hetween the United States, the EC and Japan that dominates the world trading system.

Too often, said a senior European official, relations between the BC and Japan have focused exclusively on commercial disputes, "which was not very positive." Now, however, and particularly since the visit to Brussels in June by Noborn Takeshita, the Japanese

prime minister, the community and Japan want to forge new bonds comparable to those that link each of them separately to the United States - the other two sides of the

The hope, according to Willy de Clercq, the community's external affairs commissioner, is for "closer cooperation that will allow contacts at all levels between Japanese and Europeans of the same density as those we have with our Ameri-CAN DARTHERS.

In the past few months, "the atmosphere between the community and Japan has been less acrimonious," a senior EC official said.

Underlying the new approach are concerns in Brussels that Japan has developed a preferential rela-tionship with the United States, to the detriment of EC interests, and fears in Tokyo that the community may prove an increasingly aggressive trade partner as it establishes its post-1992 single market.

Even more fundamental, Brussels officials said, is the recognition by Tokyo and Brussels of the oth-

By Philip Shabecoff

New York Times Service
WASHINGTON — The mass of

hot, dirty air that has lingered over much of the United States this

summer increased ozone pollution

in many cities to the highest levels

in the 1980s, according to preliminary readings from government

The readings underscore the fact

that, in reducing the pollutants spe-cifically cited in the Clean Air Act

of 1970, the United States has done

a poor job in lowering pollution

Klosk

Plea Spurned

By Hezbollah

HASBAYA, Lebacoo (UPI) — A leader of the pro-lranian Hezbollah group re-buffed on Sunday a United Nations call to free William R. Higgins, a U.S. Marine lieu-tenant colonal assigned to a

tenant colonel assigned to a

UN monitoring force, and

said his abduction was linked to "American intelligence ac-

key figure among Lebanese

Shite elergymen guiding the Hezbollah, also virtually acknowledged that the Shite

Moslem militia group was

MONDAY Q&A

holding him.

Sheikh Abbas al-Musawi, a

tivities" in South Lebanon.

monitoring stations.

**Ozone Pollution Soars** 

**During U.S. Heat Wave** 



Noboru Takeshita

er's growing importance in the in-dustrial world's leadership equation as the relative weight of the United States diminishes.

tive, somewhat symbolic stage. During his visit to Brussels, Mr. Takeshita laid heavy emphasis on the importance of cultural cooperation and the oeed to improve understanding through personal con-

But be also stressed the oeed for to its economic power. In building a new relationship with the Community, Japanese officials said. We must think long term. It can't be done in one year.

derestimate the importance of the seeks closer economic integration cultural dimension, are responding with overtures such as a tour of Orchestra, planned for 1991, and

from ground-level ozone—a major

composent of urban smog, a

known contributor to respiratory

illness and a significant cause of

The urban ozone readings come

at a time when new medical studies

indicate that ozone may constitute

a more serious threat to public

health than had been previously

recognized. Though it has long been known that high levels of

ozone pose a health threat, new

research points to dangers from

lower concentrations over periods

Instead of progressing toward the goal in the clean air law of

reducing ozone to safe levels, the country appears to be losing

The Environmental Protection Agency had been projecting that 68

major metropolitan areas will miss

an Aug. 31 deadline set last year by

Congress for compliance with the

With this summer's high ozone

levels in many cities, particularly in the East, a substantially higher oumber of cities are likely to miss the deadline, officials of the envi-

ronmental agency said recently. They added that it was too early to

By early July, measurements in-dicated that the peak ozone level in New York City this summer was II

percent above the peak in 1983, until oow the year with the worst ozone pollution in the 1980s. In

Washington, D.C., the peak was 22 percent higher than in 1983. In Cin-

See OZONE, Page 4

determine exactly how many.

of six to eight hours.

ozone standard.

damage to crops and trees.

#### **But Tokyo Foresees New Barriers** By Patrick L. Smith

TOKYO - As the European Community advances toward economic unification, officials and executives in Tokyo are coming to question whether the creation of the world's largest single market represents a new opportunity for Japan or a threat to its existing relationships with European na-

Based on the view that a reinvigorated Europe will be less given to protectionist impulses, official policy in Tokyo is entirely supportive of the EC's integration. Increases in jobs, incomes and imports — all of which are promised by policy planners in Brussels — will dramatically upgrade Europe's importance to Japan as a trading partner.

lel Japan's efforts to balance its relationship with the United States by exploring commoo interests with Europe and drawing closer to EC members as diplomatic and po-Beneath the surface, however,

lo turn, this is expected to paral-

Plans for closer EC-Japanese there is mounting concern here that links, however, are still at a forma- a unified Common Market will present barriers to commerce and investment that are broader, more systematic and more damaging than the scattering of measures that already hinder some aspects of trade between Japan and Europe.

Reciprocity in services trade and other concepts currently being dispolitical cooperation as Japan as-sumes a world role proportionate level of official policy, could substantially diminish the momentum currently evident in Japan's European relationships.

How the EC advances its exter-

nal policies after 1992 is also likely The Europeans, who do not un- to affect the pace at which Japan with the rest of Asia, Japanese officials indicate, as well as the degree

> not in line with Europe's objective Dmitri T. Yazov. to make itself more competitive." At stake are such bedrock issues said Makete Kuroda, a former vice "as the scale and scope of Sovietminister and now a special advisor military expenditures, the influence to the Ministry of International of mintary officers in policy-mak-Trade and Industry. But if 1992 is ing. and even whether the military

See JAPAN, Page 11



UP AND OVER — Roger Craig of the San Francisco 49ers clutched the ball as he flew over John Offerdahl of the Miami Dolphins Sunday in a U.S. professional football exhibition game in London. The game, now an annual event, was won by the Dolphins, 27-21.

# In Moscow, Debate on the Military's Role

By R. Jeffrey Smith Washington Past Service
MOSCOW — The U.S. secretary

of defense, Frank C. Carlucci, will find the Soviet leadership engaged Japan by the community's Youth Orchestra, planned for 1991, and its ties with the United States withmatters in more than two decades in a stronger institutional framework.

See EC, Page 11 Creating new barriers is simply viet counterpart, Defense Minister

ould be canable of mounting an

#### **NEWS ANALYSIS**

conservative, hidebound institution that has traditionally been aloof from independent scrutiny,

but vigorously oppose substantive omy. The mintary deback in Af-

tain outcome.

Previous meetings between the two military leaders — one in Bern and the other in Moscow in May produced no hreakthroughs on military or arms control disputes.

much less official reproach. The engine for potential Soviet
On the other are senior military military reform is said to be growwho are eager to modernize armanegative impact of Soviet military ments and improve troop training expenditures on the troubled econoffensive attack against the West. changes in Soviet military doctrine, ghanistan and the enormous chal-

Mr. Gorbachev waited a year af-

favored restricting military potential within the bounds of reason- the nation's population. able sufficiency," and using pobliofficers, including General Yazov, ing alarm in Moscow about the cal means to resolve, or at least any country; but in Jordan it is who are easer to modernize arms negative impact of Soviet military problems.

> what some of his advisers hope are the seeds of a new, nonconfrontational military doctrine, aimed at promised." avoiding a costly continuation of the arms race with the West.

As Stephen Meyer, an expert oo Soviet military affairs at the Massachusetts Institute of Technology, observes in the coming issue of the journal Internacional Security:

"Since the end of World War II. Soviet doctrine seems to have viewed security ... as a zero-sum game: The U.S.S.R.'s own security could best be guaranteed by posing PLO.
an overwhelming threat to its "Sin neighbors, whether putative adver-

saries or friends. "Gorhachev's oew political thinking turns this zero-sum think-ing on its head. Now, say the new thinkers, Soviet security must be viewed as inevitably intertwined with American, and indeed, global

security. Security is a mutual prob-Although Mr. Gorbachev and others have since suggested public-ly that the meaning and implica-tions of this oew strategy are settled sues within the government, the

details are just beginning to be thrashed out. Andrei Kokoshin, a military analyst who is deputy director of the Institute on the U.S.A. and Canada, remarked, "We are now entering the biggest period of strategic debate in our country since the early 1960s," wheo the oatioo launched a massive hulldup of stra-

See SOVIET, Page 4

A top West German official is told that Moscow does not aim to split the Western alliance. Page 2.



Sunday was Navy Day in the Soviet Union and sailors of the Baltic Fleet strolled along the Neva in Leningrad, their warship in the background, to see the sights of the port. In just a few decades, the Soviet Navy has grown from a largely coastal fleet that seldom ventured far from land to a force with aircraft carriers, fast cruisers and nuclear missile submarines that range far from home bases.

# Political Clichés: A Full Plate in Dog-Eat-Dog Campaigns

Theodoros Pangalos, Greece's minister for Europe, discusses priorities as his country takes over the EC presidency. Page 2.

General News New Zealand grants the United States a blanket clearance for military jets on Antarctic

supply flights. Business/Finance NCNB Corp. has won the bidding to take over First Repub-

licBank Corp.

Page 4.

By E. J. Dionne Jr. New York Times Service
WASHINGTON — Cliches are the mother's milk of political rhetoric, and the battle for the best of them in this election year is heating up.

"Whoever controls the clichés wins you can bet the ranch on it," said John Buckley, a Republican political operative. Warming to his task, he added,
"They say that people want originality,
but that dog don't hunt."

The battle for the cliches is important. After all, cliches become cliches by virtue of long use, repetition that is in turn earned by their ability to ring true to the One popular kind of political cliche is the long-used phrase that a candidate will

pick up to signal fidelity to a certain tradition or set of ideals. Governor Michael S. Dukakis's constant reference to "the American dream" is a case of a candidate's employing a cliche to do several things at once. The phrase allows the Democratic presiden-

tial pominee to demonstrate his patriotism, underscore his immigrant roots, reach out to other Americans with immigrant roots and east his campaign as a fight for expanded opportunity. All this

Then there are the phrases that the campaigns themselves invent. If they prove successful, they too ultimately be-come cliches. This year the Republicans are trying to get everyone to think of the Democrats as campaigning "in disguise," seeking to hide their liberalism.

Lee Atwater, campaign manager for Vice President George Bush, finds it hard to mention Mr. Dukakis without speaking the words "Massachusetts, Kennedystyle liberal." Mr. Atwater also likes to refer to Mr. Dukakis as "a Northernfried Jimmy Carter."

This is not to say that the Republicans have abandoned the time-tested clickes. In conversations with Bush aides, the phrase "peace and prosperity" crops up repeatedly. Campaigns' efforts to win voter accep-

tance of their cliches is a long tradition in

was a history professor before he was dected to Congress, cites Lincoln's birth

'In every election in American history, both parties have their clichés. The party that has the clickés that ring true wins.'

Newt Gingrich, Republican of Georgia.

"in a log cabin" as one of history's greatest cliche-related victories. "The fact was that he had been a Whig lawyer for 30 years," Mr. Gingrich said. But being a Whig lawyer doesn't get you as far with the electorate as being born in

American politics. Representative Newt a log cabin. And in the end the log cabin Gingrich, Republican of Georgia, who story rang true to people."

Mr. Gingrich has what might be called a grand theory of political cliches. It goes like this: "In every election in American history, both parties have their cliches. The party that has the cliches that ring true wins. And if the cliches continue to ring true when the party governs, that party and those cliches can change histo-

Inventing catch phrases is the hard way to go about this. Stealing them from the other side, or giving old ones new meaning is the more common approach.

Mr. Buckley, who was deputy press secretary to the Reagan-Bush campaign in 1984, argues that one of President Ronald Reagan's most exceptional political achievements was his seizing the term "full employment," a longtime Democratic catch phrase.

"When Democrats gave up the phrase full employment without inflation to the Republicans, they gave away the elec-tion," Mr. Buckley said.

Mr. Dukakis, clearly aware of this, can

himself as "a full-employment Democrat." And those who have listened to a lot of his speeches complain about his repeated use of the phrase "good jobs at good wages." But the voters don't com-plain, and if "Dukakis" becomes synonymous this fall with "good jobs at good wages," then the candidate will have gained a great deal.

A party that is losing a battle of cliches tends to complain that the other side is misusing words. Nothing annoyed Democrats more in the early 1980s than Mr. Reagan's success at getting the words "family," "work" and "neighborhood" associated with the Republicans.

Now the Democrats are on the counterattack, casting in just those terms the descriptions of the benefit programs they propose.

Republicans concede that the Democrats have gained ground by recasting the issues of children and family. "The Democrats are using kids as an opportunity to dredge up the whole discredited Great

See CLICHES, Page 4

# Hussein **Yields** To PLO

ESTABLISHED 1887

#### Jordan's Ruler Abandons Claims To the West Bank

By John Kifner

New York Times Service AMMAN — King Hussein of Jordan has abandoned to the Palestine Liberation Organizatioo any elaim to the Israeli-occupied Wesi Bank his Hashemite family ruled between 1948 and 1967.

We respect the wish of the PLO. the sole legitimate representative of the Palestinian people, to secode from us in an independent Pales-tinian state," the king said Sunday night in a dramatic television ad-

Israeli police detain two prom nent Palestinians, Page 2.

dress that followed several days of moves to distance himself from the West Bank. "We say this in all

moerstanding. The king's speech, reflecting the impact of the eight-mooth long Palestinian intifadeh, or uprising, in the Israeli-occupied West Bank and Gaza Strip, appeared to cast grave donhts on U.S. peace efforts which cast Jordan as the prime in-

which cast Jordan as the prime in-teriocuter for the Palestinians.
"Jordan is oot Palestine," the king added, in a rebull of Israelis who might call for a Palestinian homeland inside Jordan. "The in-dependent Palestinian state will be established on the occupied Palestinian land after its liberation, God

On one side are senior officials in the Soviet Foreign Ministry and research institutes who are eager to extend Mikhail S. Gorhachev's what he saw as its breadth, its emconomic and political reforms to a willing."

A Soviet policy maker last week described the debate privately as "history in the making," reflecting what he saw as its breadth, its emconomic and political reforms to a what he saw as its breadth, its emconomic and political reforms to a willing."

The kiog's uousually short speech — barely half an hour — appeared to count Jordan out of redited in the Soviet Union with future Middle East peace oegotiations and challenge the Americans, the Israelia and a the Israelia and a strength of the Israelia and a strength of the Israelia and Israe the Israelis and, perhaps most of all, the PLO, to find a solution.

At the same time, the king delivter becoming Communist Party leader before gently shaking the ramparts of military policy by an-nouncing in February 1986 that he who include roughly two-thirds of

"National unity is precious in avoid, military problems.

In these ambiguous statements stahility," Kiog Husseio said. sacred duty that will oot be com-

> King Husseio's speech reflected the political distance travelled from the Arab League summit meeting the king played host to here last November, which prompted pronouncements that the troublesome Palestinian issue had been abandoned — a gathering that in large part spurred the Palestinian uprising - to an emergency summit of Arab leaders in Algiers in June that bypassed Jordan in favor of the

> > Since there is a general coovic-See JORDAN, Page 4

# Iran Envoy Sees End to

**Gulf Attacks** 

Compiled by Our Staff From Dispatch DOHA, Qatar - A senior Iranian envoy has indicated that Iran would stop attacks on commercial shipping in the Gulf while Iran and Iraq try to negotiate a cease-fire in their eight-year war.

The eovoy, Deputy Foreign Minister Ali Ahmed Besharati, also said he expected U.S. protection of Kuwaiti tankers to end soon, and that Iran is ready to use its influ-ence to gain the release of foreign hostages held in Lebanon.

In Washington, Secretary of State George P. Shultz said Sunday that the United States and Iran have no direct discussions under way, but he indicated that the pace of diplomatic activity between the countries is increasing.

Mr. Shultz also appeared to defer an Iranian suggestion last week that the United States unfreeze financial assets in exchange for Tehran exercising "influence" with the captors of U.S. hostages in Leba-

Mr. Shultz, appearing on a CBS television program, said Iran should press any claims to its assets, which were frozen by the United States in 1980, in the international claims tribunal in The

Mr. Shultz said, "We're prepared to have direct talks." But he said that any formal diplomatic dealings would come only after the hostages were released.

Mr. Besharati is oo a tour of Arab Gulf couotries to assure them of Tehran's intention to abide by a United Nations resolution for a cease-fire in the Gulf War. He spoke to reporters in Abu Dbabi on Saturday before going to Qatar. When asked if Iran would con-

tinue to attack neutral shipping in the Gulf, Mr. Besharati said, "We will try to do our best not to violate

See GULF, Page 4

# Greece, at Helm of EC, Sets Priorities for '92 Single Market

Greece last month took over the rotating presidency of the European Community until the end of December. Reginald Dale of the International Herald Tribune talked to Theodoros Pangalos, Greece's deputy foreign minister and minister for Europe.

Q. The community made great progress on its post-1992 single market under the West German presidency that has just ended. Can you keep up the momen-

A. We think we can. The decisions of our presidency will be less far-reaching, less glorious maybe, but I think in some fields they will be of great importance.

Q. What are your priorities? A. The buildup of the internal market has to continue. Above all, we have to move toward free movement of financial

Q. And unified taxes?

Gorbachev

**Calms Bonn** 

On His Aims

MOSCOW -The West German

foreign minister, Hans-Dietrich Genscher, said on Sunday that

Mikhail S. Gorbachev, the Soviet

leader, had assured him that Mos-

cow was not seeking to split the

Western alliance between Europe

Mr. Genscher said at a news con-

ference, after a day of talks with

Mr. Gorbachev and Foreign Minis-

ter Eduard A. Shevardnadze, that

he was now even more convinced

that the Soviet Unioo was serious

about a fundamental improvement

derlined that it is neither its inten-

tion oor in its interest to try to

separate Western Europe from the United States and Canada," he

"We agreed that it should be the

objective of both East and West to

deepen cooperation in such a way

that it both strengthened peace and

became an irreversible process,"

He said he had also assured Mr.

Gorbachev during a meeting on

Saturday that the creation of a uni-

fied domestic market within the

would oot become a barrier to pan-

European Community in 1992 Bonn.

SUNDAY FEB

Manny of Ph

· In Splendi

Mr. Genscher added,

European cooperation.

"The Soviet side repeatedly un-

and North America.

in East-West relations.

A. Taxation is a very difficult chapter, on which we have to continue working. We do not expect spectacular results, but our aim is to do the great bulk of the work so that we can see the problem more clearly by the end of the year. should promote its own interests or act more as a oentral chairman?

MONDAY Q&A

The presidency should promote the

differing ways each country, or group of

countries, sees the community evolving.

of the revolving presidency. It ensures that the community's evolution is never

one-sided. There are Northern and

Southern points of view and richer and weaker countries. Everybody has the op-

portunity to point the community in the

O. At the time of the first Greek presi-

dency in 1983, Greece was regarded as a

rather maverick country, perhaps not fully committed to the community. Has

A. There is now an overwhelming ma-

Mr. Genscher, left, meeting Mr. Gorbachev in the Kremlin.

La La Company of Homeron (Milling)

CENTURY OF NEWS

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historical and journalistic viewpoints.

Rath tenny Baggins have Different Thomselfor Increase in Homesun Different Days of ARE ITS beauty From the Bulk of the Bulk of

to build walls higher around the

community," Mr. Genscher said

during the news conference, which

was held before his departure for

Mr. Genscher arrived Friday for

suropean cooperation. talks to prepare for a visit, proba-"I said we were not interested in bly in October, by Chancellor Hel- Europe.

using the bricks of the walls we mut Kohl, Mr. Gorbachev is ex-

were pulling down within Europe pected to go to West Germany in to build walls higher around the the first half of 1989.

Mr. Genscher said he felt his

sions in Vienna on a mandate

Moscow talks had helped open the

way for progress in East-West dis-

for full-scale negotiations on con-

ventional force cuts throughout

jority in the governing Socialist Party and

its supporters in favor of the community.

that changed?

That is maybe the greatest advantage

make a place for itself in the community, and the community has changed in the A. The truth is in between. It is certainly unacceptable to use the presidency as a right direction, particularly in its social and regional policies. leverage to promote national interests.

#### O. Prime Minister Andreas Papandreou has talked a lot about creating an

integrated social space in the community. But the president cannot be neutral ei-Can you explain what that means?

A. If you have a unified economic space, you have to have a policy of harmonizing social conditions — though not, of course, wages. Equivalence of wages in the different countries is a longterm prospect.

The policy would cover company health schemes, the way workers participate in the life of enterprises and company decision-making, and the mutual recognition of qualifications, not just university diplomas. It would be strange if engineers and lawyers could practice in other countries, but not plumbers or elec-

The idea, which is oot particularly left-ist, is that European civilization is based on two main elements, which can't be separated. One is political freedom and

By Don Oberdorfer

Washington Past Service
WASHINGTON — The foreign

minister of Pakistan believes the

forces from Afghanistan on sched-

ule and that Pakistani accusations

to the contrary were based on erro-

The statement of Foreign Minis-

ter Sahabzada Yaqub Khan, in an interview last week with editors

and reporters of The Washington

Post, cast new light on a flurry of

recent accusations about the with-

The controversy was touched off

by President Mohammed Zia ul-

Haq of Pakistan, who said on July

23 that he had received reports that

the Soviet Union had stopped its

withdrawal and sent as many as

10.000 soldiers back into Afghani-

Mr. Yaqub Khan said on Friday

that the source of President Zia's

statement was a report to Pakistan

by Benji Sevan, a political adviser

of the UN observer group in Af-

ghanistan, who in turn quoted a

Soviet general with command re-

According to to this account, the

Soviet general said on July 21 that.

because of Moscow's dissatisfac-

tion with Pakistani and Afghan

guerrilla compliance with the Ge-

neva accords on ending the conflict

sponsibility for the pullout.

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of social solidarity.

You can't possibly imagine the construction of a single political Europe without an effort to harmonize social

The idea of a common social space has not just come from the workers' movement. We have had some very interesting proposals from the employers' side -not at all a negative reaction.

Q. In the light of the recent terrorist attack on the Greek cruise ship City of Poros, will you use the presidency to promote stronger anti-terrorism mea-

A. That event is not related to the Greek presidency. Terrorist attacks have happened in almost all European countries. Greece has always taken a very tough approach and has never negotiated or traded with terrorists.

But we shall certainly try to promote

more action. We will call nine meetings

of the community's expert group on terrorism and security, including one minis-terial meeting, which I think is a record. As controls at internal frontiers are reduced, we must promote a credible defense of the community's external frontiers, for example against terrorists, drug

Soviet Union is withdrawing its watch the arrival of the troops, who

United Nations official to a Soviet credence in it and passed it along general.

The chief of staff of the Soviet

Pakistani Explains Slip U.S. Group

On Soviet Troop Pullout Cites Abuses

The general reportedly said UN

observers would be invited to

Mr. Yaqub Khan said that in

view of the seemingly authoritative

neous information attributed by a nature of the report, Pakistan put rights of Tibetans during the past

armed forces, Marshal Sergei F.

Akhromeyev, who was visiting the

United States at the time, denied

any increase in the oumber of sol-

diers in Afghanistan or a delay in

said he believed the information

provided to the UN official was

A State Department official said

U.S. diplomats believed the report

arose from "a mistake in transla-

tion" between the Soviet general

and the Swedish UN official, nei-

ther of whom spoke the other's lan-

Afghan jets bombed a remote

Pakistani border village at night

last week, killing 27 people and

wounding 25, Reuters reported

from Islamabad, quoting a Paki-

The attack on the village of

Raphar was the most serious re-

ported by Pakistan since the sign-

ing in April of the UN-mediated

stani government statement.

■ Raid on Pakistan

The Pakistani foreign minister

would be unarmed.

Afghanistan, 12,000 "fresh troops" In Tibet
would be airlifted to Kabul.

Q. Do you think the presiding country

The situation has changed rapidly for buman rights, the other is a great degree traders and uncontrolled immigrants from outside the community.

O. Greece has said that the community should not admit any new members for

the time being. A. So has nearly everybody eise. First we have to assess the creation of the unified market, some time after 1992, and see what future direction we should take. But the Community has always been open to everyone of European cul-

Q. Does that include Turkey? A. Turkey is not a credible candidate anyhow, for economic and social reasons. So for the moment we don't need to get into a cultural discussion, which might be difficult and disagreeable, on 'who is Eu-

We are talking in science fiction terms about what happens after the year 2000. If entry negotiations start with new countries in 1994 or 1995 they will not be completed until the 21st century. The Spanish and Portuguese negotiations

took eight years.
Bot future candidates could include Austria and Norway, and other smaller

By Edward A. Gargan

New York Times Service
BELJING — A Washington-

based human rights organization has accused China of committing

gross violations of the human

The group, Asia Watch, said, "Human rights violations there are severe and warrant strong interna-

Asia Watch was established in

1985 and is associated with two

other buman rights monitoring groups, Helsinki Watch and Amer-

Asia Watch based its report on a variety of sources, including for-

eign press accounts, translations of

Chinese newspapers and reports of

foreign visitors to the region. Still,

the chairman of the organization

said, it has been difficult to assess

the precise dimensions of the situa-

"The Chinese government has

severely restricted access to the ter-

nitory and, as a result, practices have largely escaped scrutiny," said Jack Greenberg, chairman of Asia Watch and professor of law at Co-

lumbia University in New York, in

written comments accompanying

continue and are now largely un-

checked by the kind of international attention that accompanied the suppression of the fall protests,"

the report continued, in a reference to three violent protests by Tibetan

Buddhist monks that were crushed

China says it has exercised sover-

eignty over Tibet since the 13th century. Many Tibetans, however, dispote this assertion and believe that they should be accorded inde-

pendence under the leadership of

India. All foreign countries formal-

The Asia Watch report describes

10,000 Tibetans were involved in

that confrontation with the police.

ber 1987.

"Serious abuses of human rights

#### WORLD BRIEFS

#### **Israel Detains 2 Leading Palestinians**

JERUSALEM (AP) — The police detained on Sunday two prominent Palestinians, one of whom had taken part in a conference with Israeli peace activists on the uprising in the occupied territories. Eight other Arabs were detained for questioning about their alleged involvement in recent stone-throwing attacks on Israeli buses and police vans, the police

Of the two Palestinians being held under an "administrative detention" order was Faisal Husseini, director of the Arab Studies Center in Fast Jerusalem. The center was closed Sunday for one year after police accused it of receiving financial support from the Palestine Liberation Organization. On Wednesday, Mr. Husseini joined in a public dialogue with Israeli peace activists at an auditorium in the predominantly Jewish sector of West Jerusalem.

The police also detained Mustafa Tawfiq Abu Zahara, head of an Arab merchants' group in Jerusalem, accusing him of organizing demonstrations and boycotts of Israeli products as well as inciting Palestinians not to pay taxes, a police spokesman said. The arrests were seen as an effort to forestall a broadening of PLO activities following a recent decision by King Hussein of Jordan to take a far less active role in the occupied West Bank and Gaza Strip.

#### Tunisian Leader Puts Stamp on Party 1

TUNIS (Reuters) — President Zine al-Abidine Ben Ali shook up the leadership of Tunisia's governing party on Sunday at the end of a three day congress that represented a major departure from the 30-year rule of former President Habib Bourguiba.

Mr. Ben Ali appointed two-thirds of the party's central committee putting his personal stamp on a party that Mr. Bourguiba had dominated since independence in 1956. In February, the party changed its name to Constitutional Democratic Assembly from the Destourian Socialist Party. The remainder of the committee was elected — a practice that Mr.

Bourguiba dispensed with at the 1986 congress.

It was the party's first congress since Mr. Ben Ali took power in November, when Mr. Bourguiba, who will be 85 on Wednesday, was declared senile and forced to retire. Mr. Ben Ali, who changed nearly half the cabinet shortly before the congress began, dropped several members from the central committee who had served under Mr. Bourguiba. Other members linked with the Bourguiba era, however, remained on the

#### Italy's Mafia Buster Seeks Transfer

ROME (Reuters) — Giovanni Falcone, the architect of an unprecedented mass trial of Mafia members last year and the most experienced member of a pool of anti-Mafia magistrates in the Sicilian capital of Palermo, has requested an immediate transfer to other duties. In a letter released Saturday, Mr. Falcone cited obstruction and

discord with his superior over the conduct of the fight against the crime syndicate as the reasons for his request. His move heightens a crisis that broke last month with charges by a senior magistrate, backed by Mr. Falcone, that incompetence and mis-

guided policies were crippling operations. The Supreme Conneil of Magistrates, the judiciary's governing body, met Saturday on the orders of President Francesco Cossiga to investigate the allegations.

#### **Jetty Collapse Kills 30 Malaysians**

KUALA LUMPUR, Malaysia (Reuters) - Thirty people were killed and 406 injured Sunday when part of a jetty collapsed in the northern Malaysian port of Butterworth.

At the time the jetty collapsed, 3,000 people were waiting to cross from Butterworth, on the west coast of the Malaysian peninsula, to the island of Penang for a religious festival that takes place once every 60 years.

#### China Rebuffs Senate on Arms Sales

BEIJING (AP) — A U.S. Senate measure calling on China to halt missile sales to the Middle East "brings harm to Sino-U.S. relations," the

Chinese Foreign Ministry says.

The ministry statement, carried by the Xinhua news agency, was in response to an amendment to a State Department appropriations bill that was approved Wednesday by a vote of 97-0. The amendment declares that China should immediately halt its sale of ballistic missiles and other offensive weapons to nations in the Gulf area and Middle East. It also suggests the United States reassess its relations with China if the arms es are not stopped.

The Foreign Ministry statement said: "China has always taken a prudent and responsible attitude toward arms sales. This amendment, which makes a big fuss about the so-called question of 'arms sales,' brings harm to Sino-U.S. relations. The Chinese government is furnly opposed

CANTERBURY, England -Anglican leaders from around the the Dalai Lama, the spiritual leader world met for prayer Sunday, on of Tibet who is living in exile in the eve of a decisive vote on the ordination of women that could

The Anglican Communion, a in some detail the events surroundworldwide grouping of national in some detail the events surround-Anglican churches, agreed in 1978 ing a riot that occurred on March 5, to leave the choice of ordaining the final day of Tiber's major annufemale priests to individual

cording to Asia Watch, as many as ference in Canterbury are divided between those who have ordained women as priests and now want to consecrate them as bishops, and those who are totally opposed to Asia Watch also accused the Chinese of torturing Tibetan pris-oners, particularly during the period surrounding the March 5 dem-

of the 70-million-member communion, has been struggling to main-tain church unity and believes a compromise is still possible before

The issue was thrown further into controversy on Saturday when Prime Minister Margaret Thatcher of Britain told Australian television that she did not find the ordination of women at odds with Christian doctrine.

Her remark caused surprise and dismay among traditionalist bish-ops, who said the issue was a theo-logical one on which Mrs. Thatcher has no competence.

voted on is very similar to the 1978 compromise, the gap between the two camps has widened.

op Runcie is to set up a commission to work out a protocol for relations between churches that have female bishops and those that do not.

The Church of England has tak-\_\_\_ en steps toward the ordination of

# Anglicans Seek Unity

al religious festival, during which Chinese police were said to have fired on the Tibetan protesters. Ac-

The 525 bishops attending a con-

Bishops in Canada, the United States, New Zealand, Brazil and Hong Kong have ordained about 1,000 female priests and now want to consecrate female bishops. In other countries, bishops bave threatened to take their faiths to the more traditional Roman Catholic and Orthodox churches if the resolution is approved.

# On Women

split the church.

ly recognize China's claim to the

Robert Runcie, the archbishop of Canterbury and spiritual leader the vote on Monday.

Although the resolution to be Part of the resolution says the

conference resolves that each province, or church, "respect the decision and attitudes of other provinces, whether in favor or against the ordination of women to the episcopate, maintaining the highest degree of communion with prov-inces which differ."

Under the resolution, Archbish-

# TRAVEL UPDATE

#### 14 Million Take to Koads in France

PARIS (AFP) - French authorities said Sunday that an estimated 14 million French vacationers swarmed onto the roads over the weekend but that there were fewer traffic jams than in past years because many vacationers had staggered their departures.

Anthorities were encouraging travelers not to leave on Mooday, when traffie was expected to be heaviest, as departing August vacationers meet

those returning from July holidays.

The situation was similar in Italy, where an estimated four million vacationers began the annual summer exodus to resorts in Italy, the French Riviera and Spain. Major traffic jams were also reported in parts of Belgium, West Germany and Britain.

#### This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: The Bahamas, Barbados, Canada, Grenada, Guyana, Iceland, Ireland, Jamaica, Nicaragua, Rwanda, Switzerland, Zaire, Zambia. TUESDAY: Costa Rica, Grenada.

WEDNESDAY: El Salvador, Niger. THURSDAY: Burkina Faso, El Salvador.

FRIDAY: El Salvador. SATURDAY: Bolivia. SUNDAY: Colombia.

Source: Morgan Guaranty Trust Co., Reuters.

# India Mired in Sri Lankan Civil War Tamil Rebels Thwart Yearlong Effort to End Violence

efforts appear to have failed.

that any compromise will make

them instant targets for assassina-tion by Sri Lankan authorities or

Prime Minister Rajiv Gandhi of

New Delhi sympathized with the guerrilla cause in its early stages, largely because of the kinship felt by the 50 million Tamils in India

But by last year, Mr. Gandhi had

by rival Tamil guerrilla groups.

sponsoring an accord to end the conflict in Sri Lanka, India remains

mired in its island neighbor's bloody civil war with little prospect of ending the violence, imposing a settlement or bringing home its

50,000 troops.

An Indian official said last week that more than 2,000 people, including 530 Indian soldiers, had been killed in Sri Lanka since Indian troops were sent to the island last year with the purpose of over-seeing an end to hostilities. Other estimates suggest the death toll is By all accounts, fighting contin-

ues almost daily between the Indian forces and ethnic Tamil guerrillas who seek an independent nation in northern and eastern Sri Lanka. Meanwhile, the army of Sri Lanka has been busy in the south, combating assassinations and firebomb-ings by Sinhalese extremists.

Tension between the primarily Buddhist Sinhalese, who make up about 75 percent of the population of 16 million, and the primarily Hindu Tamils, who make up about 18 percent of the total population, has long divided Sri Lanka.

dent Junius R. Jayawardene of Sri Lanka that was signed on July 29 of last year. In it, the Sri Lankan lead-At least 9,000 people have died er granted greater political autonomy to Tamil areas in return for the and many hundreds of thousands have been made refugees since 1983, when ethnic Tamil insurgents began clashing with the Sri Lankan army in the north and east, seeking

By Steven R. Weisman

New York Times Service

NEW DELHI — One year after

The last few weeks have brought a comparative lull in the fighting in terms.

Tamil areas while India tried to

After surrendering some After surrendering some weaprevive the idea of a political settle-

ons, however, the guerrilla group changed its mind and attacked both Sinhalese civilians and Indian soldiers. Mr. Gandhi responded in October by ordering that the rebels be disarmed and increasing troop strength in Sri Lanka from 20,000 ment, but Indian and Sri Lankan officials, as well as Tamil spokes-men, said in interviews that these Officials in Sri Lanka and India strength in Sri Lanka from 20,000 say the disagreement between New Delhi and the guerrillas runs deep because the guerrillas are afraid to 50,000 men

After a bloody campaign, the Indian Army is widely believed to have succeeded in securing Tamil areas of the north and east. But the rebels apparently still move around freely, planting mines and attack-

India called last week on guerrillas to "display the courage required to participate in the political process" but said the signals in return were for centuries, are associated with the demand for self-government. The remaining third are so-called Indian Tamils, primarily workers in tea plantations, whose forebears came to Sri Lanka in the 19th centary. This group is oot agitating for independence.

reversed course and was pressing Most experts and officials say that without participation by the Liberation Tigers, there can be no India's attempt to mediate culminated in an accord with Presipolitical autonomy for Tamil areas, no elections and, ultimately, no res-

toration of stability.

The Liberation Tigers are widely thought to have internal divisions. my to Tamil areas in return to the guerrillas surrendering weapons to clined to people's reportedly inclined to negotiate. However, the guerrilla commander, Velupillai The main Tamil guerrilla group, the Liberation Tigers of Tamil Ected Liberation Tigers of Tamil Ect lam, objected to the arrangement any political accommodation.

For Castro.

METHAT BAR - Some of mis 10th birthday celebration.

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Fidel Castro

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By Stephen Kinzer
San Jose Ford Times Server
San JOSE Costa Rica — The AN IOSE COME Rice — The bind States has been refruifed to add to win a strong denunciation of Nicarague in Central manage to senter Cesta Rican and Gammala officials.

The rebuil came curring preparation for Secretary of State George Manage, the is to meet these with H Salvador, Honduras and Costa in preparation for Secretary of Grandmala.

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while to lorge a strong affiance of Bushy has given diplomate tent of a brong affiance. ta melas proposed communique by includes criticism of Nicara-by Included is a clause that one by Included is a clause that one by official described as "a virtual by an open (1916) and a clause it is the over statement

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Herald Eribune.

Book Division, 181 Ave. Charles-de-Gaulle, 92521 Neurlly Cedex, France. Payment is by credit card only. All major cards are accepted. (Please note that French residents may pay by check in French francs, at the current exchange rate. We regret that checks in other currencies cannot be Please send me \_\_\_\_\_ copies of A CENTURY OF NEWS FROM THE ARCHIVES OF THE INTERNATIONAL HERALD TRIBUNE, at U.S.\$45.00 each, plus postage: \$5 each in Please charge to Access Amex Diners my credit card: Eurocard MasterCard Visa Europe; \$14 each all other countries. Card no. \_ 1-8-88 female priests but is still divided to create a separate nation known over the issue. Signature \_\_\_\_\_\_ 

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Fidel Castro

By Stephen Kinzer

New York Times Service

mala and Costa Rica.

U.S. political reprisals.

Officials in both countries said.

For Strong Criticism of Sandinistas

SAN JOSE, Costa Rica - The losing our independence." United States has been rebuffed in tioo of Nicaragua by Central president also was firmly opposed American foreign ministers, ac- to the State Department statement.

Guatemalan officials.

The rebuff came during preparations for Secretary of State George
P. Shultz's trip to Guatemala on

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Monday of State George
P. Shultz's trip to cording to senior Costa Rican and Monday. He is to meet there with the foreign ministers of Guatemala, America has to be the product of a El Salvador, Honduras and Costa meeting of all five countries in the region, not a meeting with the

United States." In preparation for the meeting, Mr. Shultz's special envoy, Morris Honduras and El Salvador, both of which receive millions of dollars Mr. Busby has given diplomats the text of a proposed communique that includes criticism of Nicora

gua Included is a clause that one that the meeting will produce only U.S. official described as a virtual declaration of war," although it is mocracy in the region.

The communiqué that Mr. Bus-The proposed communique, a by brought to Central America had copy of which was obtained by The the words "second draft" at the New York Times, was to have been top. Two Central Americans who issued at the close of the meeting. read it said the fact that the head-But it has been rejected by Guate-ing was in English showed that the presented as a Central American initiative, had in fact originated in

they would not agree to join the Washington. United States in denouncing Nica-The Reagan administration is ragua, and they said they feared supporting a bill in Congress that that their defiance would provoke would provide new aid to the rebels fighting to overthrow the Nicata-

proach to teen-age drug use, said one of the psychology professors picked up at the flick of a credit card and the push of a button. who conducted the survey, Michael Newcomb. He called occa-Notes About People sional drug use a "normal rite of passage" for many teen-agers Dean Rusk, who frequently put Other experts say that risk of in 16-hour days as secretary of heavy use means teeo-agers state for eight years in the Kenne-dy and Johnson administrations

own ltalian - language daily.

An English-made automated

dry-cleaning machine in Manhat-

tan does not clean garments, but

swallows them, when presented

with a credit card, for cleaning

and pressing in the adjoining

shop. Twenty-four or more hours

later it disgorges them. If it catches on it could foreshadow

shoes, watches or clock radios be-

ing dropped nff, repaired and

TOTE THAT BARN — Some of the estimated 328 persons who got together to move a barn in Bruno, Nebraska, as part of the town's 100th birthday celebration. The volunteers took about 20 minutes to carry the barn about 10 feet east, then 100 feet north.

AMERICAN four years later, while in their early 20s, for a fullow-up survey.

**TOPICS** 

Study Finds 2 Sides

To Teens' Drug Use

The vast majority of teen-agers

who occasionally drink or use

drugs suffer no lasting ill effects

and cannot he distinguished in

later years from teen-agers who abstained, The New York Times

reports. But the small minority

who become heavy users of hard

drugs and alcohol develop serious

problems in young adulthood. Though they leave school, go to

work and start families earlier

than others, they experience dis-organized thinking. Cocaine us-

ers are prone to confrontational

The report was based on a

study begun in 1976 by the University of California at Los Ange-

les of 1,600 teen-agers aged 12 to 15 from various economic, racial

and ethnic groups. The teen-agers

completed annual questionnaires

Light drug use was defined as

once a month or less; medium,

weekly or less; and heavy, more

than once a week. The study cov-

ered beer, wine and liquor, mari-

juana and hashish, cocaine and

The study throws into question

the effectiveness of the federal

government's "just say no" ap-

should not use drugs at all.

The only U.S. Italian-language

daily newspaper, Il Progresso Italo Americano, reappeared last.

week for the first time since a

labor dispute shut the 108-year-

old paper on June 20. The dispute has not been settled, and the pa-

per is now being pohlished by a new company in Long Island

By Joseph B. Treaster

New York Times Service .

Cuba about the virtues of reforms

that have been sweeping the Soviet

Union, his economic and military

Until last week, he had been qui-

ctly steering his own country in

precisely the opposite direction. There had not been even a hint that

Mr. Castro had been feeling any

domestic pressure, and perhaps he saw no gain in laying out explicitly why Mikhail S. Gorbachev's efforts

to restructure Soviet society were

But in a speech Tuesday to mark

the 35th anniversary of his armed

assault that began the Castro revo-

lution, he was emphatically clear

about his intention to go his own

And be unleashed a fury of epi-thets against the "two-bit imita-tors" in Cuba "who don't trust

themselves, who don't trust their country, who don't trust their peo-

ple, who don't trust their revolu-

tion" and who apparently had been privately suggesting to him that Cuba take a look at the social, eco-

nomic and political changes under way in the Soviet Union.

The outstanding characteristic enraged.

oot for Cuba.

supporter for nearly 30 years.

For Castro, Gorbachevism Is a Heresy

Short Takes

for four or five years, and about half of them were tracked down essaid they hoped to begin their

other narcotics.

and is now in poor health at 79, told David Ignatius of The Washington Post, "I still remember the moment that President Nixon finished his oath of office, I felt an indescribable sense of exhilaration, of liberation. Because it was not my responsibility any

A great-great uncle of Senator Lloyd Beotseo of Texas, the Democratie oominee fur vice president, also served as vice

when he heard about the Cuban

garlic farmer who earned \$50,000 a

year under the more relaxed eco-

Mr. Castro embarked on what he

called "rectification," shutting

**NEWS ANALYSIS** 

down the independent farmers'

markets that had been the keystone

of a limited venture into free enter-

prise and all but climinating bonus-

es and other material incentives

that he had installed on the recom-

mendation of the Soviet Union

Rectification was oot something.

new, but the revival of an earlier

failed dream to create a new Cuban

who eschewed material rewards

and worked for glory and joy.

Mr. Castro worried, however,

that a new bourgeoisie was emerg-ing in what be had envisioned as a

classless society. It was principle

again, to some extent, that caused

him to wipe out bonuses. When he

learned they were being paid despite gross inefficiency, he became

years earlier

nomic policies of the time.

president: Henry Wilson, from Governor Michael S. Dukakis's home state of Massachusetts. Senator Bentsen mentioned his ancestor on a campaign visit to Boston, Mr. Wilson assumed the vice presidency nn March 4, 1873, but died in office two and a half years later, at 63. There is just one problem with Mr. Bentsen's bope for a repeat of the Wilson electoral success, The New York Times nntes: As Ulysses S. Grant's running mate in the 1872 campaign, his relative was a Republican.

Justice Harry A. Blackman of the U.S. Supreme Court says that when Anthony M. Kennedy was nominated for the court, be sent him a letter welcoming him to "the good nld Number Three Club, because I was the third choice in 1970" of President Richard Nixon "and you were the third choice in 1987 of President Ronald Reagan. "It keeps you humble to bear it in mind," Justice Blackmun wrote, adding advice from his wife. Dottie: "It keeps you from getting to be too judgy.

Arthur Higbee

"No one can see how it can

work," said a foreigner who has

questioned dozeos of Cuhans

about rectification. "It's so con-

trary to what everyone knows

Other Marxist countries are un-

likely to mimic Cuha's policies,

even if they are equally reluctant to plunge into Gorbachev-style re-structuring. Specifically referring to Nicaragua, which itself has vacil-

lated in its choice of economic poli-

cies, Mr. Castro said he would not

suggests that the Soviet Union,

whose economic aid of \$10 million

a day keeps Cuba going, is trying to impose its new ways. Last Novem-

ber, Mr. Castro stood with Mr.

Gorbachev at a parade in Red Square and met twice with him in

the Kremlin. Back home, he said it

Speaking of Cuba's centralized

political structure, Mr. Castro said: We do not have to rectify any-

thing whatsoever. We are not going

to be deviating from this path a single inch." He stopped cold a

dissident's hope of creating a sec-ond political party in Cuba. "We only need one," he said, "in the

same way Lenin occded only one."

Mr. Castro says Cuba has to

maintain its ideological purity as a defense against the influence of the

imperialist colossus 90 miles (145

had been his best visit ever.

Western diplomats say nothing

proselytize on rectification.

about human behavior."

ly fade away.

# **Dukakis Steps Up Criticism**

Washington Post Service RALEIGH, North Carolina ~ Riding the wave of enthusiasm generated by the Democratic National Convention, Governor Michael S. erything that happens in his admin-Dukakis of Massachusetts has istration, repeatedly asserted that stepped up his criticism of the ethical standards of the Reagan administratinn, which he compared to a top."

"There's an old Greek saying, you know, a fish rots from the head first," Mr. Dukakis said at a news conference in Louisville, Kentucky, on Saturday, He was responding to a question of whether President Ronald Reagan and Vice President George Bush should be held personally accountable for the administration's ethical lapses he frequently cites, "It starts at the top,"

The Democratic presidential impact of his nousually colorful Bush's running mate. "I don't wish remark, saying that he was not act to be considered," she said. of this revolution," Mr. Castro said, "is that it has not copied, it more rhetorical than revolutionary. HAVANA — For too many months, it seems, President Fidel Castro has been hearing echoes in Castro hearing echoes hearing echoes hearing echoes hearing echoes hearing echoes hearing ec

Of Administration's Ethics cusing Mr. Reagan of personally setting a low ethical standard.

But Mr. Dukakis, who said that no chief executive could know evistration, repeatedly asserted that responsibility for an administration's ethical tone "starts at the

He also accused Mr. Reagan of encouraging "a contempt for pub-he service" within the government and said that "it's the guy at the top who has to be held accountable,"

#### Senator Shuns Bush Ticket

WASHINGTON - Senator Nancy Landon Kassebaum, Republican of Kansas, said in an in-The Democratic presidential terview Sunday that she did oot candidate later tried to soften the want to be Vice President George

#### Denver Shows Perils of Airport-Building typically marks the relationship beDoughty, the airport manager, who lion airfield will open in the mi tween hig cities and their rural was hired from Cleveland in 1984. 1990s with six runways capable 1990s with six runways capable of

By Andrew H. Malcolm New York Times Service

to replace Denver's airport is an jor political achievement. example of how local wrangling over the building of a new airport can affect the efficiency of the national air transportation system.

factor in a community's well-being, A new airport at Denver, a major nized when the transcontinental airline hub, would greatly ease recurring delays that disrupt airline schedules throughout the country.

And because voters near here recently approved the first step in building a mammoth new airport, the first major oew airport in the United States in 14 years, Denver may yet offer lessons for other ciries whose airfields are hard-pressed to handle today's traffic, let alone the 800 million passengers a year projected for the late 1990s.

But Deover officials have schieved only the first step in replacing Stapleton International Airport, whose 4,679 acres (1,890 hectares) of overcrowded runways have made it a battlefield for the 35 million passengers who file through

each year. The city must also placate environmentalists, nther airport opponents, and even the airlines themselves, all struggling to adapt in the Darwinian age of deregulation. In May, voters in adjacent Ad-

ams County approved Denver's annexation of 45 square miles (116 square kilometers) for an airport that will be twice the size of Manhattan and bigger than Chicago's O'Hare International, the world's busiest. It will be 12 miles (19 kilometers) northeast nf Stapleton and

15 miles from downtown Denver. Given the level of suspicion that tioo," aeknowledges George

DENVER - The tortuous effort neighbors, the approval was a ma- His first decision was to buy so much snow-removal equipment But historically, transportation that the airport oow is better

terminals have been an important equipped than the city of Denver.

Talk of a new airport began 20 as early Denver residents recog- years ago. But where to put it? Numerous sites were studied while railroad chose a Wyoming route, city officials began emphasizing They promptly raised money to the economic benefits of the pro-huild a spur linking their city to it. ject.

In 1928, Mayor Ben Stapleton When completed, the new field was mocked when he had the city will employ 34,000 people. Adams Denver may yet offer lessons for other cities whose airfields are hard-pressed to handle today's traffic, let alone the 800

million passengers a year projected for the

buy the empty land for what was to County was also enticed by anticibecome the nation's sixth-busiest pated tax revenues: One new hotel airfield. Today, like airports all could pay more county taxes than over America, it is surrounded by honses, hotels and husinesses, The final deal gave Derver the pitch are both a measure of the hotels. which are both a measure of the field's economic success and a square miles, now privately owned noose on its expansion. Space is so tight that Interstate 70 and the where blackbirds sing and roadside

late 1990s.

In good weather, Denver can handle 72 flights an hour. Often, however, bad weather will cut that number to fewer than 30. Since 60 percent of all passengers at the airport are really going somewhere else, these delays affect scheduling across the country.

We have had a terrible reputa-

The final deal gave Denver the right to buy and annex the 45

wheat fields and grazing lands Union Pacific railroad tracks were peddlers sell tacos to passing truck-built onder one runway. peddlers sell tacos to passing truck-ers. Denver may also build one 1,000-room hotel there. An additional 25 square miles

will have covenants placed on property holders' deeds forbidding residential construction, eliminating putential unise complaints from homeowners. Stapleton Airport will be re-

placed with an industrial and bousing development. The oew, \$1.3 bil- yet," be said.

handling 653,000 landings and departures a year and 51.6 millioo passengers, with planned expansion to 110 million passengers a year and 1.2 million landings and departures on 12 runways.

"This was really a win-win situa-tion for everyone," Mr. Doughty

Not quite. Negotiations with Continental and United Airlines, which jointly control nearly 90 percent of Denver's air traffic, have stalled over rent. "It's somewhat grand," said United's Ed Nielson, "and could make Denver uncompetitive with nther bubs like Dallas and Salt Lake City."

To counteract the airlines' concern, nfficials say they have nffered to guarantee cost to the airlines. They suggest that the npposition is really based on reluctance to open Denver to new airline competition. A majority of Adams County voters approved the airport. But that hasn't ended the opposition of

"We're not opposed to a new airport," said Reuben Espinosa, a founder of the Committee for a Better Airport, a citizens' group. "We're opposed to the new airport site. We think it should be 10 miles farther east."

Mr. Espinosa said his committee believes the cost of the new airport means it will self-destruct. And he raises the possibility of battling the airport on unspecified environmental grounds.

We're not throwing in the towel

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Rest of Africa, Gulf States, Asia \$ 620 340

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#### being set by the United States." said a Guatemalan. "We would be losing our independence." Indirect support for the bill from regional leaders. kilometers) to the north. But some diplomats say they think Mr. Castro's real concern seems to be in An aide to President Oscar Arias The secretary of state reafmaintaining his supremacy in a na-tion that he has almost totally doman effort to win a strong denunciafirmed his government's willingness to contribute effectively and inated since 1959. significantly to the defense of the democratic governments of Central "Costa Rica will not sign any-

America who ask for it," the draft said. "The five foreign ministers individually or collectively.

"He doesn't want to see his power threatened by antonomous centers," one diplomat said. "What he reaffirmed the right of their gov-ernments to act in defense of rerationalizes as idealism and comgional democratic security, either self-centered desire to protect total

#### **Inter-American Rights Court Finds** of which receive millions of dollars in military and other aid from Honduras Guilty in Disappearance

has found the Honduran govern- done." ment guilty in the disappearance of a Honduran citizen in 1981.

The court, which is an arm of the Organization of American States, ordered Honduras to pay damages to the family of Angel Manfredo Velasquez Rodriguez, one of the four persons whose disappearances from 1981 to 1982 were the focus of the court case. The amount is to be nesotiated by the government and the family. The court, which issued the decision Friday, is to oversee

The government of Honduras "If we sign this statement, we are guan government. One purpose of has no option but to respect the body's legitimacy.

the settlement

New York Times Service judgment fully," said a spokesman, SAN JOSE, Costa Rica — In the Lisandro Quesada. "If we have to first verdict of its kind, the Inter- pay compensation to the family of American Court of Human Rights the disappeared person, it has to be

> "I want to point out in defense of the current government," he added, "that the disappearance of Velasquez happened in 1981, when General Paz Garcia was president." General Policarpo Paz Garcia was the military ruler until 1982.

Friday marked the first time that the court has issued a direct verdict against a government. One official said it was the first time that a judicial body has condemned a country for human rights violations after the country accepted the

# Central Americans Thwart U.S. Call nkan Civil Wo Mort to End Violence

A CONTROL OF THE PARTY OF THE P

# Dissident Is Detained **Along With Journalist** By New Burma Regime

BANGKOK — Burma's most outspoken dissident, U Aung Gyi, has been detained days after a powstate, according to diplomatie but was purged a year later.

The diplomats said U Aung Gyi, a retired brigadier general, and sevcral of his associates were picked up late Friday evening.

A veteran correspondent of The Associated Press, U Sein Win, was also detained, they said. The diploed Press. He is the former owner mats were contacted in Rangoon

In Washington, the U.S. State
Department said as many as 25
people may have been arrested since Friday.

become an organ for official views.
U Sein Win was arrested and jailed for his journalism in the last years of the democratically elected

The U.S. Embassy in Rangoon government that was overthrown in was making inquiries about The Associated Press correspondent, military rule under U Ne Win. He was making inquiries about the Associated Press correspondent, but a department spokeswoman said it is limited in what it can do receden by the International Federation of Journalists in 1963 for his work in fostering a free press.

U Aung Gyi wrote at least five open letters to U Ne Win, the former leader of Burma, demanding economic reforms and respect for

human rights.
U Ne Win ruled with an iron hand for 26 years after taking power in a 1962 coup, but he was replaced Tuesday as leader of the ruling Burma Socialist Program Party by U Sein Lwin, a longtime

U Sein Lwin has been responsible for suppressing dissent since 1962 and is hated and feared by

opposition groups.
Diplomats said the detentions appeared to be the first act hy the new leader to stamp out further dissent and to prevent any open

4 Fall to Deaths in Swiss Alps

GENEVA — Four people fell to their deaths in separate accidents in the Swiss Alps this weekend, police

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reporting of events in the country. Foreign journalists are not given visas to enter Burma.

U Aung Gyi, 70, helped U Ne er shift in the secretive socialist. Win seize power in the 1962 coup He was strongly condemned last

Instead, the government in Wellington has agreed to grant hlanket clearance each year for all American supply flights weekend by delegates at the emer-gency congress of the Burma Socialist Program Party that apthrough the base in Christchurch. proved the change of leadership.
U Sein Win, 66, has worked for nearly 20 years with The Associat-

Most of the flights are operated by the U.S. Navy and Air Force. The Antarctic logistics operation is considered so important that both the New Zealand and U.S. governments have gone to considerable lengths to ensure and publisher of the Guardian, a Rangoon newspaper that has since that it does not become enmeshed in their

countries say.

By Michael Richardson International Herald Tribune CHRISTCHURCH, New Zealand

Construction of a major international

Antarctic supply base here will move forward because New Zealand has decid-

ed not to insist on the nuclear-free assur-

dispute over nuclear ships. That dispute began in 1985, not long after the election of a Labor government in New Zealand under Prime Minister David Lange. It has disrupted mutual defense ties between Wellington and Washington under the long-standing ANZUS treaty, which also involves Aus-

The dispute stems from Labor's nuclear-free policy, which was given legislative sanction last year when the legislature passed a law barring nuclear-powered and nuclear-armed vessels from New

The law also prohibits the entry of aircraft carrying nuclear weapons.

ances that have disrupted its defense ties "There is no connection between the with the United States, officials of both U.S. Antarctic research program and any of that other business," said Commander Robert M. Harler, officer in charge of the U.S. naval support force at Christchurch International Airport.

However, critics of New Zealand's policy on U.S. Antarctic supply flights con-tend that Wellington has violated its nuclear-free principles primarily because the operation pumps more than 20 million New Zealand dollars (\$13 million) a year into the Christchurch economy and is crucial to New Zealand's own Antarc-

As interest in Antarctica increases, New Zealand is preparing to invest mil-lions of dollars on facilities that officials say will make Christchurch the main entry point and supply base for activities on

Since signing an Antarctic supply

agreement with the United States in 1958, New Zealand has become the logistic hub for bases of both countries. The United States is already the major user of Antarctic supply facilities in New Zealand and is expected to be the main foreign customer for the new Christ-

New Zealand Ires Nuclear Foes Over U.S. Antarctic Flights

church complex. To prevent potential adversaries from knowing which of its ships and planes are nuclear-armed, the United States will neither confirm nor deny the presence of

The United States halted joint military operations and suspended its security guarantee with New Zealand in 1936 afguarantee with New Zealand in 1930 atter Mr. Lange's government applied a nuclear-free policy that made it impossible for U.S. warships capable of carrying nuclear arms to visit New Zealand.

With encouragement from Washington, the government in Wellington and

Christchurch city authorities are devel-oping plans for a new center that would support research, exploration and tour-ism in Antarctica, the least-known region of the planet.

The center, which will cost about 30 million New Zealand dollars and will be located close to the Christchurch airport, could open in 1991.

go and hundreds of people each year by air between Christchurch and McMurdo Station, the main American base in Ant-

New Zealand research stations are supplied by the U.S. airlift.

The operation is run by the U.S. Navy under contract to the National Science Foundation, an independent agency of the U.S. government. Under the terms of the anti-nuclear

legislation passed by New Zealand, Mr. Lange must satisfy himself that U.S. ships and aircraft are not carrying nuclear devices before they are granted approval to dock or land. New Zealand officials said that U.S.

military transport flights carrying mail, goods or personnel for Antarctica were allowed through without cargo checks. Geoffrey Palmer, New Zealand's dep-nty prime minister, said, "We have given clearance for that to happen because we have got no doubt that it is perfectly

compatible with our nuclear-free poli-

Mr. Lange has said that the United

A logistics operation, run by the U.S.
Navy and known as "Operation Deep
Freeze," moves thousands of tons of carflights operated by the U.S. Air Force

Mandela, Vi. Denies U.S.

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By John D. Batters S.

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Italian Ship Sails From Nigeria

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However, Robert L. Leonard, who heads a group of activists in Christchurch demanding an end to U.S. military in-volvement in Antarctic activities, said that granting blanket clearance for all.
American supply flights "leaves New
Zealand wide open to possible violation" of its nuclear-free zone.

Kevin P. Clements, senior lecturer in sociology at the University of Canterbury in Christchurch, said the government justified its blanket clearance because the 1959 Antarctic Treaty, which the U.S. signed, banned nuclear weapons from the

But Mr. Leonard said the clearance also covered an average of two air force C-14! Starlifter flights a week into Christchurch—one from U.S. communi-cations bases in Australia and the other from Hawaii.

These flights, Mr. Clements said. "could be carrying nuclear weapons, al-though that is highly unlikely because they never have armed guards or any obvious security in place."

## Factions in U.S. May Compromise And Allow Sale of Arms to Kuwait

By Robert Pear

WASHINGTON -- The Reagan administration is negotiating a compromise with opponents of arms sales to Arab countries that would permit the United States to sell \$1.9 billion worth of warplanes,

missiles and bombs to Kuwait. The outlines of the compromise were worked out last week in discussions involving Lieutenant Gen-eral Colin L. Powell of the National Security Council, members of Con-gress and representatives of Ameri-

can Jewish groups. The compromise would end a dispute that began in May when the administration announced

wanted, but restrictions intended ed in favor of Iraq. to minimize any threat to Israel
would be added. The desire for a that if the Gulf War ends, the U.S. compromise has increased dramat- Navy will probably reduce the ically in the weeks since Britain number of American warships in arms for the Saudis.

Over the last year, Kuwait has and will need more weapons from developed a closer relationship the United States.

Under Mr. Reagan's proposal.

several respects:

• American Jewish groups, often united in opposing arms sales to Arab countries, were divided over the efforts to block the sale to Kuwait. Abraham H. Foxman, national director of the Anti-Defamation League of B'nai B'rith, said his group would not "go to the mat" in fighting the sale because "we are not sure it poses a great risk to Israel's security."

• The American Israel Public Affairs Committee, the leading pro-Israel lobby in Washington, opposed key elements of the sale more forcefully than the government of Israel. In principle, Israel opposes arms sales to any country that has not joined the Middle East peace process. In fact, Israel did

not actively resist this sale. Senator Dennis DeConcini, back and demand it, too. Democrat of Arizona, led opposition to the sale even though the Maverick is manufactured in his home state. The Senate voted to prohibit the sale of Maverick missurances to Congress: The Kuwaiti substitution of the sale of Maverick missurances to Congress: The Kuwaiti substitution of the sale of Maverick missurances to Congress: The Kuwaiti substitution of the sale of the sal

(Continued from page 1) cinnati the peak was 31 percent

higher and in Chicago 36 percent.

Ozone is an unstable form of

oxygen in which three atoms, rath-

er than the normal two, hind to-gether. Most of the ozone at ground

evel is formed when pollutants -

particularly bydrocarbons and ni-

The resulting ozone, together with solid particles and other pol-

lutants, constitutes smog and odor. The more sunlight and the higher the temperatures, the more ozone

and smog are formed. Low wind

velocities and poor air circulation also cause ozone levels to build up. This summer, with its bot, dry weather and stagnant air in the

United States, has been ideal for

the creation of ozone. In addition,

**OZONE:** Pollution Levels Soar

that ozone causes breathing probtrogen oxides from a wide variety
of sources, including motor vehiing heavy exercise who are exposed
to a high level of it over a hrief
like paint shops and dry cleaning
stores — react with sunlight.

Now tests conducted at Environ-

the pollution sources of ozone are exposure causes permanent dam-growing with the population and age to lungs, including premature expanding economy. The warming aging of the lungs.

**WORLDWIDE ENTERTAINMENT** 

MOULIN ROUGE

plans to sell 40 F-18 fighters and 300 Maverick missiles to beip Kuwait's security, many experts say, but the Reagan administration cannot make that argument because United States policy has tilt-

consummated a huge deal with the Gulf. According to this argu-Sandi Arabia, supplanting the ment, moderate countries along the United States as the main source of Gulf will have to assume more responsibility for their own defense

with the United States as American warships have escorted its tankers through the Gulf.

The politics of the Kuwaiti sale, one of the biggest proposed by Mr.

Reagan this year, are unusual in several respects:

Under Mr. Reagan's proposal, Kuwait would get 40 F-18 Hornets and 300 Maverick missiles, as well as 40 Harpoon antiship missiles, 200 Sparrow air-to-air missiles, 400 Sparrow air-to-air missiles. laser-guided bombs and 200 cluster

Mr. Reagan had first proposed selling Kuwait two versions of the Maverick missile; 200 of the model D, which carries a 125-pound war-head and is used primarily to destroy enemy tanks, and 100 of the new model G, which carries a 300-pound warhead and is intended for use against larger targets, including warships and concrete bunkers.

Under the proposed compromise, Kuwait would buy 300 Maycrick Gs and none of the model D. Congress last year blocked the administration's effort to sell 1,600 Maverick D missiles to Saudi Arabia, and lawmakers fear that if they permit the sale of that model to Kuwait, Saudi Arabia would come

siles to any country on the Gulf just sale does not set a precedent for hours after Mr. Reagan formally selling arms to any other country, notified Congress on July 7 of his delivery of the Mavericks would be plan to sell arms to Kuwait. The delayed until all the F-18s were in restriction was proposed by Mr.

DeConcini, who is profoundly concerned about the spread of high-technology weapons in the region.

The prospect of a cease-fire in the Indian in the Indian In the Iran-Iraq war has upended final condition would prevent Kumany arguments by proponents of the sale, including the State De-partment, which is reassessing its position. Iraq may soon loom as a cl.

of the planet, caused by other in-dustrial pollutants, seems likely to worsen the ozone problem, too, said Richard E. Ayres, a lawyer for the Natural Resources Defense

Council and chairman of the Na-

Researchers had long established

that ozone causes breathing prob-

Now tests conducted at Environmental Protection Agency labora-

tories are finding that exposure to

lower levels over a period of six or eight hours can also cause substan-

tial respiratory problems in healthy people as well as in people with lung diseases.

Even more troublesome, in the view of public health officials interviewed last week, are recent animal

studies that suggest that chronic

tional Clean Air Coalition.

# About Lebanon

JERUSALEM - Menschem Begin, the former prime

secretary for an appointment.

Mr. Begin resigned without explanation and went into se-

"Today?" Mr. Begin re-sponded with a laugh, then added: "One of these days. Speak with Yechiel Kadishai. We'll set up a time to talk al, Javier Pérez de Cuéllar, to arrange the cease-fire.

framian defense industry workers at a Tehran rally, one of many recent meetings that have produced volunteers for the war with Iraq.

GULF: Tehran Envoy Says Iran Will Halt Attacks in Gulf During Talks

On the hostages being held in Lebanon, Mr. Besharati said: "So far, no Western country has negotiunder way at the United Nations, our influence to release them."

come down from the Kuwaiti tank-The Iranian news agency IRNA, monitored in Nicosia, said Sunday that Iranian troops and irregular naval escort for Kuwaiti tankers in the Gulf.

Representatives of Iran and Iraq are holding separate talks in New York with the UN secretary-gener-The Iranian news agency IRNA,

A separate report on Tehran Radio said Iranian forces had entered tions. The Washington Post reported from Washington tral front from which Iraq said it withdrew on Saturday. The town is viser, Saddown Hammadi, said. ated the hostage issue with us. If they did so, we promise to use all traq in its effort to secure a strong acceptance of the cease-fire reso. bargaining position in talks on end-

viser, Saddown Hammadi, said. Intion was not "complete evidence" of Tehran's intentions. He added

access to the East Bank or limiting

access to Jordanian passports.

# Israel's Begin May Speak Out

anything" so that UN Resolution 598 would "become a reality."

He said that, with cease-fire talks

be expected "the American flag to

minister of Israel who made peace with Egypt in 1978 and resigned abruptly in 1983, a year after the Israeli invasion of Lebanon, indicated on Sunday that he would end his silence on the invasion. He asked a reporter to call his

clasion in his bome. Israelis said he was depressed by the growing toll of Israeli dead in Lebanon — more than 500 when he quit — and also by the death of his wife, Aliza.

An Armed Forces Radio reporter, calling Mr. Begin to congratulate him on his 75th birthday, asked when the Is-raelis could expect to hear from him on Lebanon.

about various subjects."

#### JORDAN: Hussein Yields West Bank Claims to PLO possibility that the king will take West Bank Palestinians in the Jorother actions aimed at emphasizing Jordan's importance to West Bank Palestinians, such as reducing their

tion that the struggle to liberate the act in three days by the king to occupied Palestinian land could be reduce his ties to the West Bank. enhanced by dismantling the legal on Thursday he canceled an ambitious development plan for the two banks, we have to fulfill our West Bank that was supposed to duty and do what is required of spend up to \$1.3 billion in the occuus," the king said in a clear referpied territories over five years. ence to the Algiers summit meet-

taken only in response to the wish of the Palestine Liberation Organization, the sole legitimate representative of the Palestimian people, aries to 13,000 territorial civil servants, provided West Bank residents with Jordanian passports zation, the sole legitimate represen-tative of the Palestinian people, and the prevailing Arah conviction that such measures will contribute to the struggle of the Palestinian people and their glorious uprising." ■ Hussein Dissolves House

Loren Jenkins of The Washington Post reported Sunday from Jeru-

West Bank, King Hussein on Saturday dissolved the lower house of
the National Assembly, half of
whose sests were held by Palestinians from the West Bank.

The king apparen
stung by his waning
influence in the occup
since the Palestinian

The royal decree gave no expla-nation for the king's move. The dissolution of the House of Representatives, the main -

though largely symbolic - voice of

danian government, was the second

Since losing the West Bank to Israel in the 1967 Arab-Israeli war, He added: "These steps were Jordan has funded social and eco-

> and permitted them to travel to Jordan for business and commerce. Officials at the palace said that king Hussein's actions were part of a dual strategy to silence PLO and

other Arab criticism of Jordan's Post reported Sunday from Jerusalem:

In a move to distance his kingdom from the Israeli-occupied dan still has a role to play in the

The king apparently has been stung by his waning prestige and influence in the occupied territories since the Palestinian uprising began in December. At the same time, the PLO's influence has grown as it has gradually taken over direction

of the uprising.
Jordanian officials left open the

# CLICHES: A Full Plate

(Continued from page 1)

(Continued from page 1)

Society agenda," complained Jim Pinkerton, the director of research for Mr. Bush's campaign.

Another lament of Mr. Pinkerton is that yet one more of Mi. Dukakis's favorite phrases, "public-private partnerships," is entering the hallowed ground of political cliches. Mr. Dukakis uses the term to describe cooperation among government, business and labor in efforts to solve problems. In Mr. efforts to solve problems. In Mr. Pinkerton's view, the phrase is just a cover for a more intrusive government and "micro-socialism."

Some conservatives are not at all bothered that the Democrats have tried to claim a number of Reaganera cliches as their own. Burton Yale Pines, senior vice president at the conservative Heritage Foundation, says the surest sign that con-servatives are winning is the need that liberals feel to couch their ideas in such terms.

Mr. Pines contends that Mr. Dukakis and the Democrats are now in a position similar to that of Dwight D. Eisenhower and the Republicans in 1952. Just as Eisenhower needed to reassure the electorate that he accepted much of the New Deal, so Mr. Dukakis now needs to reassure voters that he will needs to reassure voters that he will not abandon the entire Reagan leg-acy. Mr. Dukakis signals this, Mr. Pines said, by repeatedly using words like "strength," "growth," "optimism," "family," and "entre-preneurship."

But other conservatives worry that the Democrats are becoming too good at mastering the conserva-tive vocabulary. Mr. Buckley, for example, fears that the Democrats may succeed in suppressing the word "spend" from the public discussion and replacing it with the more businessifike "invest."

To be sure, the Republicans have not yet held their care.

not yet held their own convention. where they will try to catch up in the battle of cliches. Which is to say that, although the Democrats have captured the high ground at this point in time, it's still early in the

# SOVIET: Military's Role and Power Under Scrutiny (Continued from page I) tegic forces in the aftermath of the Cuban missile crisis. Some reformers have suggested that unilateral reductions can be made in Soviet conventional forces gic parity by weapons capabilities instead of absolute numbers—ed. "My second point is that Soviet military effort. A few experts have proposed that unilateral reductions can be made in Soviet conventional forces armaments to low levels for a adequate "to reliably ensure collective defense of the socialist commu-

exploded in the Alto Adige area of has been to subtly undermine the northern Italy on Sunday, causing reforms by stressing how little Mr. General Yazov wrote last October of forms by stressing how little Mr. General Yazov wrote last October in a pamphlet distributed to tens of thousands of military officers that rent policy.

For example, General Yazov wrote last October in a pamphlet distributed to tens of thousands of military officers that thousands of military officers that troops and that the second bomb exploded. The explosions brought to 13 the number of bomb attacks since April in the mainly German-speaking Alto "constitutes a tremendous political" of a defensive military doctrine in a pamphlet distributed to tens of thousands of military officers that troops "must be able to conduct a defense for armaments since 1978, the explosions brought to 13 the number of bomb attacks since April in of a defensive military doctrine missed the pamphlet by suggesting that "military thinking is subtent." the mainly German-speaking Alto "constitutes a tremendous political Adige, also known as South Tirol, and statesmanlike step."

need to avaid matching every on a reciprocal basis, of offensive weapons deployment by the West, and the value of measuring stratetank units and paratroopers.

Some of these ideas have angered doctrine is said to mean that forces.

BOLZANO, Italy—Two bombs doctrine. One of their responses Edward L. Warner, points out that exploded in the Alto Adige area of has been to subtly undermine the General Yazov wrote last October

"minimum deterrence." Others tive defense of the socialist commu-Others have emphasized the have begun to suggest elimination, nity," a limit that is "determined

Bombs Go Off in South Tirol

Some of these ideas have angered professional military officers, who on both sides should be incapable on both sides should be incapable of conducting broad offensive or surprise military operations.

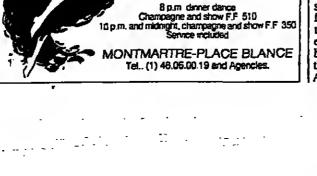
But a Rand Corporation analyst,

Edward L. Warner, points out that m a pamphlet distributed to tens of thousands of military officers that

an attack.

A Foreign Ministry official dis-missed the pamphlet by suggesting that "military thinking is subject to

The great is Canada Seattle Re



# ctic Flights

States would not "want to carp what the Pacific for no purpose" on noting the figure operated by the University of the Control However, Robert L. Lound & However, Robert L. Lo A its cuited-free zone.

Keeto P. Clements, senior lement in Central-free and the University of Control in Central-free said the government in Central-free control in Central

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Mandela, Via Lawyer,

Denies U.S. Consultant **Controls His Interests** 

By John D. Battersby New York Times Service

JOHANNESBURG — Nelson Mandela, speaking through his lawyer, has repudiated a claim by a public relations consultant from North Carolina who said that he had been given power of attorney to represent the Mandela family interests and prevent "the rip-off" of the imprisoned anti-apartheid

The statement attributed to Mr. Mandela was issued Saturday by Ismail Ayob, a Johannesburg law-yer who has represented Mr. Man-choice to be the first black U.S. dela since 1972. It appeared to bring into the open a dispute between his wife, Winnie, and the African National Congress, the exiled anti-apartheid movement, over subscript was a first place. Constitution of the Management of t who can authorize use of the Mandela name and control the dis-bursement of proceeds from con-certs, movies, T-shirts and buttons.

**Italian Ship Sails** From Nigeria With Toxic Waste

The Associated Press LAGOS — An Italian ship has sailed with 167 containers of toxic waste retrieved from the Nigerian port of Koko, where it had been secretly unloaded a year ago.

papers said had originated in 10

European countries, was unloaded

anger throughout Africa over at-

tempts by developed nations to use

the continent as a dump for toxic

Brigadier General Mamman

Kontagora, minister of works and

housing, said Sunday the govern-

ment was setting up environmental task forces in each of the country's

301 local government areas to mon-

He said the groups would make

sure there was no further secret

itor arriving cargo.

spread that his family was prepared The ship's destination was not to profit by his name. announced. It was one of two ships ■ 12 Die in Weekend Unrest sent by Italy to remove several The police shot and killed a thousand tons of toxic waste black man in a township, and three as black man in a township, and three men were killed in fighting between rival gangs, raising to 12 the death toll in weekend racial and political violence in South Africa, Renters reported from Johannesburg. dumped 240 kilometers (150 miles) southeast of Lagos. Nigeria's military government had temporarily seized an Italian ship to enforce its demand that the waste be removed.

Nigerian authorities arrested 15 The police said in a statement people last month, including sever-al Italian nationals, in connection Sunday that three black men were stabbed to death Saturday in clashwith the dumping. The government has said people convicted of such es between rival groups near the eastern city of Pietermaritzburg. acts could face the death penalty. In the Sweetwaters township, The waste, which Nigerian newsalso near Pietermaritzburg, a mob

attacked a police patrol and a man in the crowd was killed when offiin August 1987. Nigerian oewspa-pers publicized the affair, fueling cers retaliated with shotgun fire, the statement said. Six persons, including a woman, were stabbed or burned to death in the region on Friday, and a man was stabled to death by black

youths in Soweto, outside Johan-

When he announced his arrange-

ment with Mrs. Mandela, Mr.

Brown was standing outside Polls-moor Prison, near Cape Town, where the two had just visited Mr. Mandela, who has been imprisoned

The announcement spread con-

sternation among Mr. Mandela's

supporters, who voiced the fear

that his moral authority, based on

the reputation for selfless sacrifice

his years in jail have earned him, might be eroded if the impression

for nearly 26 years.

nesburg, the police said. In Johannesburg, the police identified a woman killed in a bomb explosion on Saturday as Mary-Ann Serrano, 21, from Boks-burg. She died in a hospital about eight hours after the bomb exploded in a crowded fast-food restaudumping of toxic waste. . . . rant in an eastern suburb.



Children helping a woman who was hurt in a bomb explosion in a Johannesburg suburb. One person was killed and 57 were injured. arms, ammunition, uniforms and guerrilla tactics to the point where

# Mozambique's Ragtag Rebels Fight On

By John D. Battersby
New York Times Service
GORONGOSA DISTRICT,

Mozambique — In the heart of Mozambique, a group of anti-gov-ernment rebels facing regional and international isolation continues to plot the destruction of this country's ailing transport and electricity network from the seclusion of these shifting forest headquarters.

In spite of a two-year offensive by Mozambican. Zimbabwean and Tanzanian troops, a ragtag rebel army of the Mozambican National Resistance Movement, known by its Portuguese acronym Renamo, has survived and even stepped up its attacks.

Renamo, commanded by Afonso Dhlakama, 35, a former supporter of the governing party, had its ori-gins as a mercenary force sponsored by Rhodesia, and later received South African support.

More recently, the guerrillas, thought to number between 15,000 and 20,000, have lost much of their foreign support, but have managed to continue attacks on railroads, roads and electricity lines, as well as staging frequent hit-and-run at-tacks on towns held by the Mozambican Army. Because of the extensive Renamo presence in much of rural Mozambique, many of these towns have been turned into virtual islands, reachable only by air.

bold the towns, preferring to move oo and returning only when looted goods have been replenished.

A three-day visit to a remote and well-guarded Renamo base in Sofala Province, about 65 kilometers (40 miles) from the nearest government base, revealed a lightly armed band of guerrillas clad in captured camouflage suits and motley civilian clothes.

Gorongosa Game Park, about 800 kilometers north-northeast of Ma-

An atmosphere of the surreal dominated the rebels' hideout. Printouts of incoming messages from commanders arrived from a new laptop computer linked to the field radio. Traditional dancers entertained rebel officials in a small

clearing in the forest.

Flanked by political department heads in smart three-piece suits and ties, Mr. Dhlakama, a short, bespectacled man who has led the movement for nearly a decade, explained: "We are waging a war to demoralize and lower the profile of the enemy. It serves no purpose to

hold towns that are empty."

The rebels cannot match the Soviet-made aircraft and other ad-vanced weaponry of the Zimbabweans and Mozambicans. But they appear to enjoy sufficient support from the war-weary local popula-In the attacks the rebels seize tion, and to have mastered rural

the reconstruction of the war-torn and turning at least one million and drought-ravaged country is impossible without their cooperation. The report

Many of the claims made by the rebels conflict with United Nations reports and a recent U.S. State Department report, which branded Renamo as one of the most brutal guerrilla armies in the world.

Renamo was originally a mercenary army, organized and nurtured by white Rhodesian intelligence officers in the mid-1970s. Sponsorship of the rebels was later taken over by the South African Army, with the backing of Portuguese business interests that had been dispossessed in Mozambique.

Although South Africa says it no longer supplies the rebels, there is some evidence that support cootinued after the signing of a South Africa-Mozambique nonaggres-sion pact in 1984.

The rebel group describes itself as anti-Marxist, and says that doctrinaire Marxist policies that threatened the traditional way of life of tribal villagers were a main

reason for its creation. While Renamo says its tenets are get into the landlocked country are their black neighbors and here they anti-Marxist, the Maputo government has diluted the leftist policies it followed after expelling the Por-

ese colonial administration in The 16-hour flight begins in Lu-1976 and has moved closer to the saka. A luxurious transit lounge Western economic sphere of interwas built at Lusaka International est, seeking Western and even South African aid. Although Renamo also claims a clandestine presence in the capital, Maputo, and in provincial capitals, guerrilla leaders say their strategy is to gain control of rural Mozam-

The weekly flight is now almost always fully booked, with passen-gers from South Africa filling bebique before trying to precipitate an insurrection in urban areas. tween 10 and 20 percent of the DC-10 aircraft, Zambia Airways' direct Renamo's assertion that it controls 85 percent of rural Mozamroute, which lasts 16 hours, cuts bique is clearly excessive, but the rebels appear to be able to move between five and 10 hours off Jo-hannesburg-New York flights that freely in more than a third of the

But the guerrillas, who have crippled much of the country's vital rail and power network, have been liktice" in white South Africans turning to Zambia for transport.

"I frankly relish the prospect of South Africans traveling through their air links with South Africa.

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"I frankly relish the prospect of their air links with South Africans traveling through their air links with South Africans." port, which blamed the rebels for

armies in the world.

Many of the

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claims made by the

The report, issued in April and hased on interviews with 196 Mozambican refugees in five countries, also held the rebels responsible for a series of massacres of civilians last year, including one at Homoine in which more than 400 persons were killed.

The report found that the movement has used forced labor, rape, mutilation and arbitrary execution in its bid to overthrow the govern-

Mr. Dhlakama vehemently denies these charges and insists that atrocities are committed by specially trained counter-insurgency units mandated to discredit the rebels.

"If we were just a bunch of ban-dits," Mr. Dhlakama said, "we would have been caught and been handed over to government forces long ago."

Mr. Dhlakama, the son of a trib-

al chief from the tiny Ndau tribe in central Mozambique, was thrust unexpectedly into the Renamo leadership by Rhodesian intelligence officers after the death in combat of André Matsangaissa, the movement's first leader.

Anselmo Victor, 33, "political ideology minister," is responsible for the 7,000 party members, of whom 2,000 are said to operate in "In every town we have got our political members we can contact,"

he said, "We also have members who have infiltrated the Mozambican secret police who keep us well-

■ Maputo Claims Violation The official Mozambican news

agency AIM said Sunday that South Africa had secretly flown foreign journalists to rebel-held areas of Mozambique in violation of a security pact between the two countries, Reuters reported from Maputo, the Mozambican capital, AIM said the visit was an at-

tempt by South Africa to polish the rebels' image, which was tarnished by a U.S. State Department report port, which blamed the rebels for in April accusing the guerrillas of killing more than 100,000 people mass murder of civilians.

# **Zambia Flies Around Pretoria Sanctions**

By Blaine Harden

Washington Post Service LUSAKA, Zambia — Wben Congress imposed sanctions that canceled U.S. landing rights for South African Airways, the airline told its customers: "Don't Worry. We're still flying high."

South Africa's national airline

bragged in a newspaper advertise-ment that it would circumvent the U.S. sanctions "thanks to our friendly association with our col-

Nearly two years later, in an ironic twist in the international effort to isolate the white minority regime in South Africa, the "colleague" that is making it possible for South Africans to fly almost directly to New York is Zambia Airways, the national carrier of a black-ruled nation. Zambia, one of Pretoria's most

vocal critics and an occasional target of South African armed attacks, has begun jumbo-jet service that offers South Africans the shortest, fastest and, in many cases, cheapest air passage to North America.

states that oppose South Africa's racial policies, has been at the forefront in calling on Western Europe and Japan to join the United States in economic sanctions against Pretoria. He says that "the rest of the world should not benefit where American businessmen are losing. It is not fair.'

Yet Mr. Kaunda conceded in an interview that Zambia Airways is profiting from U.S. sanctions. "Yes, I agree," he said. "But

what do you expect us to do? If we stopped that, how does it belp in terms of this region?" The new flight is a reminder of

the close economic ties that remain between South Africa and the black-ruled nations of southern Africa. It also shows that the front-line states, in dealing with Pretoria, cannot afford symmetry between their anti-apartheid rhetoric and their business dealings. Zambia is in the midst of an

economic crisis. Its standard of living has been decaying for more than a decade. Child death from malnutrition bas doubled in the President Kenneth Kaunda of past five years. It has stopped pay-Zambia, chairman of the organiza-tion of black-ruled "front-line" \$5.3 billion.

Many industries have closed for the front-line states in which they lack of foreign exchange to buy have carried out so much aggres-imported spare parts. Shops are sion in the past few years," Mr. chronically short of consumer Wolpe said in an interview. "These goods. About half of the goods that are folks who don't like to deal with either made in, or transported are having to be dependent on

through, South Africa. Zambia desperately needs hard currency - even the South African

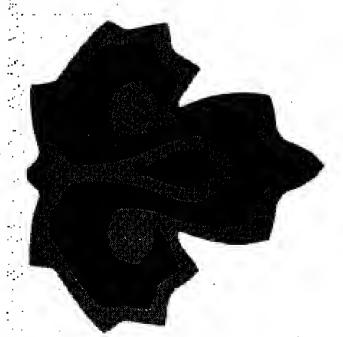
"We don't deal in politics," said George A. Lewis, marketing director for Zambia Airways. "You cannot ask me to give any political view. There is a market in this region." Mr. Lewis conceived the idea for the nonstop flight to New

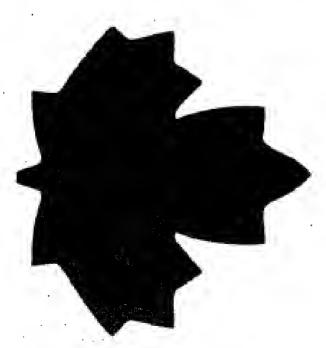
Representative Howard E. Wolpe, a Michigan Democrat who was a sponsor of the 1986 U.S. sanctions, says he finds oothing inappropriate about the flight. These countries are not in the

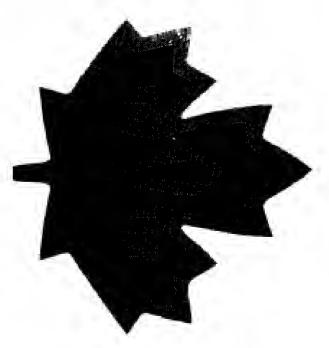
same kind of economic position that we are," he said. "They cannot afford sanctions." He added that

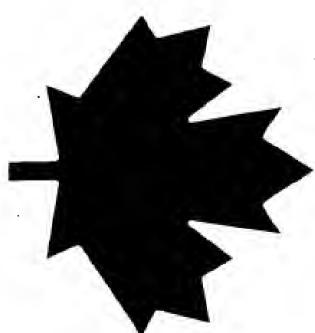
have stopovers in Europe. Zambia's New York flight, which depends on nonstop feeder he found a measure of "poetic jus- flights between Lusaka and Johan-

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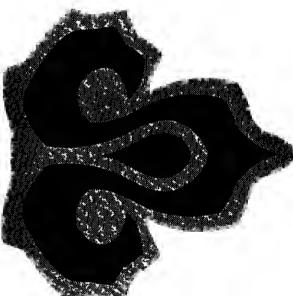




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# **Three Threads of Peace**

Suddenly, a season of peace seems to be warming the world. The last few months since the Carter administration, America have seen five bitter and protracted conand Central America, populations stunned by endless war look up and hope.

Rarely have so many such wars seems to be drawing to a close at once. Is the world doing something right? Or is the coincidence of peace as uncontrollable as some favorable conjunction of the planets? Although each conflict has collapsed for its own reasons, two common threads can be discerned.

One is the new Soviet foreign policy. Mikhail Gorbachev has ceased issuing blank checks to revolutionary regimes. Vietnam, having mismanaged its economy, is now willing at least to talk about withdrawing its garrison from Cambodia. The Sandinistas have been driven into negotiations with the contras. Fidel Castro seems ready to recall Cuba's expeditionary force from Angola. The Soviet Union itself is pulling back from its military adventure in Afghanistan. Thus four of the five wars are

susceptible to changes in Moscow.

The second thread starts in Washington. From Tennessee mules to Stinger missiles, America has provided critical military support to the Afghan resistance movements. The policy began under Jimmy Carter and was continued by Ronald Reagan, with Congress insisting on an increased flow of aid. The Reagan administration also deserves

some credit for the prospect of a cease-fire between Iran and Iraq. And in Angola, Cambodia and Nicaragua, peace processes have also begon on terms which are close to

has sought the withdrawal of Cuba's troops flicts brought suddenly closer to peaceful from Angola and South Africa's from Naresolution. In the Middle East, Asia, Africa mibia. Those two goals at last seem within reach. In Cambodia, both America and by endless war look up and hope China have supported a rebel coalition that includes the Khmer Rouge army of the mass murderer, Pol Pot. A process begun. last week in Indonesia may one day lead to an acceptable outcome — withdrawal of

Vietnamese troops, and a successor government that excludes the Khmer Rouge.

In Nicaragua, the Reagan administration has sought an impossible goal, overthrow of the Sandinista government, and has consistently failed to pursue a diplomatic alternative to warfare by the contras. Initiative therefore passed to Congress; its reluctance to fund the contras put steam in the peace

plan of President Oscar Arias of Costa Rice. There is a third thread that deserves note: cooperation between Moscow and Wash-ington. Both sides have supported Iraq. Moscow apparently leaned on Cuba to at-tend the Angola talks and on Vietnam to loosen its position on Cambodia.

In none of the five wars has peace been attained, and each case remains fragile. The Iraqis are trying to improve their bargaining position on the battlefield; even when Soviet troops are gone, Afghanistan faces internal chaos. But in all five cases a serious process of negotiation has at least begun. In countries where for years poison gas left soldiers gasping to death, as in Iran and Iraq, and land mines left a generation of one-legged children, as in Angola, there is finally hope. - THE NEW YORK TIMES.

# Iran and the Hostages

The U.S. government is tied in a knot in Iran has two sorts of assets in American the matter of getting back the nine American hostages who are held by friends of stocks that the shah bought and that the ing "ransom" and of otherwise stirring memories of its past arms-for-hostages dealings with Tehran, Washington is reportedly holding back from a respect to the shah bought and that the United States impounded, then there can be nothing doing. But if it is referring to financial assets, that is another story. There already are accepted international. portedly holding back from a proposed deal in which, in return for the nine, the United States would free up Iran's frozen assets.

Good. Washington should be holding back. It was readiness to bargain for hostages that brought the Reagan administration the succession of griefs and policy disasters known as the Iran-contra affair, Paying for hostages gives hostage takers incentive to take more, and warps policy. Tehran brought about the release of some hostages, but as the payment in arms rolled in its clients kept kidnapping new ones. The administration was secretly supplying arms even while U.S. officials were publicly trying to organize an embargo to force this war-bent terrorist state to accept a cease-fire. The resulting self-generated pressure on the U.S. government to keep the transaction secret inflicted its own deep wounds.

This does not mean that nothing can be done to relieve the ordeal of the hostages.

working, at The Hague, to sort out claims. With no loss of interest or honor and conceivably with some benefit to the hostages the pace of processing could be stepped up.
In any event, it is bound to matter that the

overall situation is changing. Iran does not seem to be seeking anymore to press a war that the United States wants to see settled. On the contrary, it says it wants a cease-fire, and it has accepted the United Nations reso-hution designed to bring one about. In the context of progress toward the abiding and valid goals of American policy —a cease-fire and prompt fulfillment of the terms of the United Nations resolution, improved relations between Iran and its neighbors and an end to Iranian-sponsored terrorism - the release of the hostages falls naturally into place. Meanwhile, every day that they contipue to be held, Iran demonstrates a cruelty that Americans note and remember.

- THE WASHINGTON POST.

# Burma's Way to Nowhere

Burma for decades tried to find safety and prosperity by shutting out the world, but without success. It displays instead views for fear of exposing their ignorance. many familiar Third World ills that cannot plausibly be blamed on outsiders. Although blessed with resources and a lively, friendly people, Burma has sunk to the world's list of 10 poorest countries. So dismal is its militarized regime's record that its leader for 26 years, U Ne Win, not only resigned last Monday but, creditably, urged a referendum on continued one-party rule.

A decision has been taken in what is now standard Burmese fashion: a secret conclave of a non-elected party congress. Surprisingly, and sadly, the Burma Socialist Program Party rebelled against its outgoing leader and refused to submit itself to popular judgment. It chose instead to replace U Ne Win with another strongman, U Sein Lwin, a retired general whose talents run to riot control and bead-cracking.

It is as though poor Burma were trapped in a bitter novel by the Third World's laureate of disillusion, V.S. Naipaul. Recent visitors tell of Burmese hospitals with bare-

views for fear of exposing their ignorance.

After seizing power in 1962, U Ne Win
never once submitted himself to press questioning. And all this was part and parcel of what a privileged ruling clite liked to call "the Burmese way to socialism."

Yet Burma was once a major rice and oil exporter, its future seemingly assured when it gained independence in 1948. Its name was briefly a byword for nonalignment, for high-minded statesmen like U Nu and U Thant and the ideals of newly independent states meeting at Bandung.
That moment passed quickly. Unable to

quell widespread insurgencies, civilians gave way to soldiers, the shunning of foreigners and repressive one-party rule. The result has been decline and decay. This is the failed system that U Scin Lwin presumably wants to perpetuate. The least that well-wishing outsiders can do is to keep alive U Ne Win's parting appeal that Burma's people finally be permitted to judge their masters.

- THE NEW YORK TIMES.

# **Euphoria Is Out of Order**

growing steadily, it is very hard to persuade people that anything really needs to be fixed. Alan Greenspan, chairman of the Federal Reserve Board, made the point recently and went on to say: "That could very readily lead to a degree of euphoria and an unwillingness to come to grips with difficult problems." There he is described the problems to expend the problems of the problem duce a note of reality into, particularly, his own Republican Party's celebration.

The economy, he is telling Congress, has to be slowed down. He thinks that the Federal Reserve has already pushed interest rates up far enough to do it. But the unspoken promise is that if there is no deceleration soon, rates will have to go higher.

The immediate and obvious reason is to restrain inflation. But it is also essential to get the trade deficit down. To live in the style to which it has become accustomed, America needs to borrow \$160 billion a year from foreigners. In the last five years Americans

the rest of the world. As Mr. Greenspan observes, no country has limitless credit. As time passes and the foreign lenders watch that debt continue to mount faster than the American ability to service it, the lenders will begin to charge higher interest. Or demand a cheaper dollar. Or both,

Simply to let matters take their course would be, for the United States, exceedingly unwise. Higher interest rates would reduce business investment at a time when American industry is already beginning to strain to fill the export orders that are essential to get trade back into balance. A lower exchange rate would aggravate an inflation rate that has already risen disquietingly this year.

A modest slowdown now, during this campaign summer, is necessary to avoid serious damage later. No candidate is eager to dwell on the subject, in this season of sunshine. To his great credit, Mr. Greenspan has made elf the spokesman for anti-euphoria. -THE WASHINGTON POST.

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# After Iran-Iraq: Next Watch for an Islamic Comeback

veloped, and it was particularly

marked in Iran. Even as the revolu-

tion took place at the end of the

1970s, young Iranians abroad would

P ARIS — It is expected in the West that when the Gulf war does end,

things will return to "normal." But what is normal? There is a new norm. The Gulf war, the Afghanistan war these are making a new normality, that of restored Islamic power and

confidence. That means power to set-tle their own affairs and deal from strength with the non-Islamic world. The events of the last eight years in the Gulf region and in Afghanistan have been very significant. The Afghans defeated a superpower — a geographically adjacent superpower, at that, with a history of interventions

in Afghanistan. The Iranians and the

Iraqis fought one another to a stand-

still, but with a ferocity and skilled Asians have seen a recovery of political independence. That is what is happening in the Islamic world

employment of high technology that nobody expected of them.

— the recovery of a

civilization.

Iran has done more than that. It ejected the United States from Iran in 1979, humiliating the Carter administration. It did the same thing to the Reagan administration in the Irangate affair. The Iranians have employed terror and terrorist blackmail against Western powers in ways to which the West has failed to find an answer.

The Iranians are now saying that in the Gulf they have been fighting the United States as well as Iraq, and that this is the only reason why they lost. The United States, they say, having shot down one civilian airliner, was "preparing new atrocities." They are yielding - to the United Nations, not Iraq — only because of that. It is a

By William Pfaff

claim which Washington, ironically enough, has been auxious to confirm, ing to anyone who will listen that the U.S. Navy really won the war. It is important to understand that

Iranians, Iraqis and Afghans are not ending these wars chastened, in a mood of lessons learned. They are proud and deliant, confident that they have proved themselves in these ordeals, as indeed they have. They intend to continue to make their national wills felt. This is a big change in what might be described as the psychological balance of world power.

From the time of the Ottoman Em-

pire's decline and the rise of industri-alism and modern technology in the West, the Islamic societies lost their grip on what was happening to them. They lost their relevance to the world. Things were done to Persia, Afghanistan, the Arab countries. They did

not do things to others.

A psychology of victimization de-

did not want Iran or Iraq to win. Iraq's surprise invasion in 1979 brought important initial successes. But it was a grave miscalculation, rallying Iranian patriotism despite the chaos and hatreds unleashed by the mullahs' revolution. Ayatollah

not concede that Iranians bure any responsibility for the shah and for what his government had done to the country. The United States had done it all. The shah was a puppet. All the people who governed with him were puppets. SAVAK torturers were puppets. And before the United States it had been Britain that controlled every detail of what happened in Iran. Those young Iranians could not

grasp that by saying this they re-vealed exactly that moral abdica-tion, that spirit of capitulation to the West, which their revolution was supposed to be condemning. Now it is different in Iran. In the recent past the Arab world,

Egypt and the Maghreb did more to re-establish the autonomy of their societies than the Iranians did. There

I which aborted, but then the socalled Arab renaissance among intellectuals, and the launching of such secular political movements as the Ba'ath socialist party, which in two of its latter-day manifestations governs Syria and Iraq today.

There were revolutionary initiatives, largely unsuccessful until Colo-nel Gamal Abdel Nasser deposed Egypt's King Farouk in 1952. A few years later the Algerians' insurrection convinced France to quit Algeria. In 1973, Egypt proved that it could take the military initiative against Israel. The Arab states found how to use the

weapon of their oil.
We are today seeing the culmination of this process, by which the Islamic societies are recovering their ability to act on the international stage — act in their own ways, and with considerable effect. They are following what earlier was accomplished in Asia. There, while the

was the Arab revolt in the World War 19th century by disciplined modern ization of their own society, the rest of Asia fell into colonial or semi-colonial subordination until the early and mid-20th century. Then revolutions followed one another in China, India, Indonesia and Indochina — and the Western powers, one after another. abandoned the attempt to control events. It was a recovery of political independence, but also, more impor-

tantly, of moral autonomy.

That is what is happening in the Islamic world — the recovery of a civilization which, after all, was until the late Middle Ages politically and militarily superior to western Europe, and which ruled southeastern Europe as its colony until a hundred years ago.

The return of the Islamic world im-

plies major changes in international affairs. The implications are as yet scarcely imagined by the Western governments, or in Jerusalem — or even in the Islamic capitals themselves. International Herald Tribune.

O Los Angeles Times Syndicate.

# Now That the World Wants Peace, Try to Make It Last

PARIS — At last there are prospects for ending the bloody Iran-Iraq war, which started nearly nine years ago. If a cease-fire can be achieved, followed by peace negotiations, the fighting could stop on the one basis that practically everybody except the combatants required: vic-

tory for neither side.

One reason the war has been going on so long is that the rest of the world

Rnhollah Khomeini might have been gone by now, and quite possibly Iran might have settled down from its travail, were it not for the national solidarity provoked by foreign attack. Iraq could not win a long war

against a much more populous, oiltich Iran. When the Iranians pulled themselves together, they not only expelled the Iraqis but advanced to the point where the regime of President Saddam Hussein was threatened. Syria's president, Hafez al-Assad, went to the aid of Iran by closing the Syrian-Iraqi border, cutting off most of Iraq's oil exports until pipelines could be built. Iraq's narrow access to the Gulf shipping lanes was

made unusable by Iran's advance.

That brought new aid to Iraq, not only from Saudi Arabia and other Arab Gulf states but also from the Soviet Union, France and others, Islamie fundamentalism was rising everywhere in response to the Iranian revolution, and the possibility of a triumph by Iran was seen by virtually all powers as a disaster to be avoided.

The war dragged on, with support flowing to both sides, often from the same countries. Iran bled itself with "human wave" offensives. Iraq shifted strategy, using banned chemical weap-ons to block Iran's advances and born-headment of its chimping and cities to bardment of its shipping and cities to wear down its economy and morale.

When Iran began to retaliate against Kuwait, the United States sent warships to keep lanes open, except for Iran. That started as a hodgepodge operation, but gradually it was coor-dinated with European allies. Iran's isolation was dramatically displayed when the UN Security Council refused to condemn the United States for shooting down a civilian plane that it took for an attacker.

There are no clear grounds for Washington's claim that its policy finally served to convince Iran that it

could not bring down the Baghdad regime. It may be a pernicious illusion that would undermine further policy decisions needed now to prevent an-other reversal of the pendulum and continuation of the war.

Certainly, Iran has reached a point

of economic and human exhaustion. A battle of succession to Ayatollah Khomeini has yet to be resolved. These are factors in Iran's decision to accept a cease-fire, but now Iraq is seeking to cease-ine, but have the reviously accept-ed. It is using the Mujahidin Khala, a group of ultra-radical, anti-Khomeini cales and ex-prisoners of war organized in Iraq as a "liberation army," to press what it considers newly won

advantage against a faltering Iran.
So this is the time for outside states to insist on their original goal of ending the war without defeat for either side. The key is Saudi Arabia, which has bankrolled Iraq but has also to fear a decisive success for the now. well equipped Iraqi army.

When Iraq tried to take over Kuwait in 1973, Sandi Arabia correctly saw it as a serious threat. The emer-

gence of Iraq as the strongest Gulf power would endanger all states in the region, including Israel. The Saudis, the United States, the Soviets and others must now use their influence to convince Baghdad that it cannot afford to miss this chance for peace. Even so, the course of the war has not only devastated the people of both countries, it has brought the whole region to a much more sophisticated, dangerous level of armaments, Iraq has a point in demanding that a cease-fire not become just a pause to restore forces. And Iran's need for a bit of face-saving should be understood. It is trying to preserve its revolution, a goal that no one else can share, but the war has only served to bolster the extremists. It is the task of reconstruction that

can give moderates a chance. The peace effort should include an attempt to reverse the regional arms race. Washington and Moscow can talk about that and find common interest. Ending this war needs to be done in a way to help prevent future wars in a volatile, angry, fearful and overanned area. That is the one kind of victory that would serve all.

## We visited Morrombala, a camp for 30,000 refugees. In sweltering heat, men and women told about guerrilla plundering of their villages. The raiders raped women, mutilated and killed savagely, destroyed schools and health clinics, stole come tim off roofs and presental helonoings. come a home for traumatized and orphaned

death, largely without international awareness.

A LBANY, New York — Mozambique's fam-ilies are suffering unthinkable violence and

This suffering reflects a dimension of apart-heid that extends beyond South Africa's borders. As reports of mass atrocities and fleeing refugees filter out of Mozambique, experts on the region are blaming a South African-backed guerrilla organization called Renamo for the tragedy.

Renamo's attacks are part of a vicious campaign by South Africa to weaken its neighbors. The U.S. State Department conservatively estimates that 100,000 civilians have been murdered in the last two years, and that more than a million more have been driven into refugee camps outside Mozambique as a result of Renamo violence.

At a Unicef symposium in Zimbabwe in March, I was invited by Mrs. Graça Machel, widow of President Samora Machel, to visit Mozambique with Unicef's special representative, Harry Belafonte, to observe what was happening. especially to the children. Today, four months later, the terror continues.

Cambodia, the Holocaust and the Armenian genocide. Warfare and homelessness have become a way of life in Mozambique. There is no vaccine to protect the children against the bullets and machetes of the anti-government Renamo forces.

By Matilda R. Cuomo

The Butchery in Mozambique Must Be Stopped

As a result of the war, the infant and child mortality rates are among the world's highest. One in three children dies before the age of 5. Our first stop was Lhangene Center, a former Roman Catholic school for priests that has bechildren. One 12-year-old boy, in a near cataton-ic state, described the terror he felt when his village was raided. The guerrillas handed him a machine gun and told him he would have to learn to use it. To test his will, they told him he would have to shoot his parents or face being shot. He obeyed the orders and killed them. Initiated, he

became the guerrillas' prisoner until escaping.

Another traumatized boy told how his father,
a member of the village militia, was murdered
during a pre-dawn raid. The guerrillas wanted information on other militia members that the boy could not provide. So they mutilated him, chopping off one finger at a time, pausing each of fingers on one hand, they cut off an ear.
Unicel reports that 250,000 children have been

physically maimed, psychologically scarred or or-phaned by Renamo's violence. Many do not know the whereabouts of their parents, and never will.

Many saw them murdered. Many were saved by parents who sacrificed themselves as decoys dur-ing raids so that the children could flee. Many were trained to kill, forced to fire on friends and relatives and can never return to their villages.

crops, tin off roofs and personal belongings, Ten thousand children in the camp had no books, paper or pencils and only five teachers. Elsewhere in the country, rebel attacks have left 500,000 children without schools to attend.

In a hospital in Quelimane, the sheets were dirty. There was little medicine. Among the men and women there were many wounded children. Children in wheelchairs, paralyzed by bulkets. Children with missing limbs, the victims of machetes. Children bearing the weight of crude wooden prostheses. Listless children, in their mothers' arms, suffering from malnutrition.

The writer, wife of New York's Governor Mario Cuomo, co-chairs the New York State Citizens Task Force on Child Abuse and Neglect. She contributed this comment to The New York Times.

political realities to accommodate new economic realities. Mr. Carter did not

engineer a consensus for higher taxes

to support higher spending. Mr. Rea-

gan did not build one to support

spending cuts and lower taxes.

Mr. Dukakis talks of "competence,"

but the next president will be lucky if

the economy remains as strong as it is

today. The competence required of

burden was as high — at 19.4 percent of GNP — as in Jimmy Carter's last year. The budget's arithmetic is unforgiving. Anyone who has studied it knows that deficits cannot easily be eliminated only with military cuts or with "soak the rich" taxes. And add-

ing new spending programs would

make the job tougher.

The great danger is that political failure ultimately will lead to economic failure. The proper balance between government and private spending is not clear. But it is clear that bad government policies can reduce the economy's growth and vitality. There is a multitude of threats: continuing huge deficits; excessive or poorly conceived taxes; oppressive government regulations

enacted as a way for Congress to raise spending outside the budget. This election, like most others, is a contest to control the center of the electorate. But it also ought to be about the nature of government. Public cynicism about politics stems largely from the inability of either party to match campaign rhetorie with performance in office. There is a recurrent cycle of disillusion. Popular expectations are unrealistic, in part because political leaders promote unrealistic expectations. Sadly, the cycle

The Washington Post

#### seems to be starting anew.

1888: A Stormy House

LONDON — A Member of Parliament says: "The Parliamentary barometer stands at stormy. Mischief is in the air, and every hour that passes increases the probability of unusual turmoil. The Irish members are in a state of great excitement, every detail of the Parnell Commission being ob-noxious to them. On all sides the position is extremely critical. If by any turn of events the Nationalists are stained with crime, down will go the entire Gladstonian party. Everybody feels and admits this. So great

1913: Venezuelan Coup?

NEW YORK — The Herald's exclusive forecast three days ago [July 29] of a Venezuelan revolution headed by General Castro seems to be fully sustained. The Venezuelan Government

the censorship bas been sent to all interested in Venezuelan affairs. Senor Pedro Rincones, the Venezuelan Consul-General in New York, admitted today [July 31] that General Castro is now on the border of the Republic, but declared that President Gomez is secure and the people

gan, who flew a "crate by mistake" across the Atlantic to Ireland, will

#### The New York Times. The Economic Issue: Americans Need Political Leadership

WASHINGTON — When Mi-chael Dukakis says that this presidential election is about competence, not ideology, he has it backward. Call it ideology, philosophy, whatever: In the broadest sense, the next president's job is to redefine what government can and should do -and what it can't or shouldn't. "Tough choices,"

Mr. Dukakis has said, lie ahead. Thinking about government, most Americans are muddled. Budget deficits reflect a persisting gap between the public's demand for government services and its willingness to be taxed. Bridging that gap requires more than a budget plan. It requires a changed political climate: a public willing to end spending programs that are inef-fective or do not serve vital national needs, and a recognition that what is

left — and any new programs — must be covered by higher taxes. Mr. Dukakis is right that the terms "liberal" and "conservative" are large-ly irrelevant. They are relics of the New Deal and symbolize settled arguments for the three-quarters of Americans born after 1940. Few Americans would dismantle Big Government — everything from Medicare to national parks. In that sense, liberalism has triumphed. But most Americans rec-ognize that Big Government's powers and resources are limited. In that

sense, conservatism remains strong. The trouble is that getting elected and then governing demand different messages. At the Democratic convention, Mr. Dukakis delivered a spectacular speech. He sounded uplifting themes of national renewal. He looked residential. He radiated confidence. But there were no warnings of "tough choices." Precisely the opposite: He made new promises. He would create national health insurance, expand "affordable" boosing and support more day care. He embraced a balanced

budget without mentioning taxes. These inconsistencies are so common that no one calls them by their proper name: dishonest

George Bush, too, is a model of ambiguity and contradiction. He would deal with the budget through a "flexible freeze" on spending; that is a plan of stunning vagueness. In addition, he favors tax cuts. Few political leaders of either party talk realistically of choices. (Jesse Jackson is an exception, although most Americans probably do not support his priorities.) No one wants to offend the muddled majority. This may work now. It won't next February. Budget deficits reflect a historic

change. From the 1950s until the early

1970s, Big Government grew effort-

lessly. Rapid economie growth and

By Robert J. Samuelson

declining military spending (as a share of GNP) financed rising domestic military spending became tougher. spending: more social security, food stamps, college scholarships. The tax burden was relatively constant. In 1954, federal taxes were 18.9 percent of GNP, in 1974, 18.6 percent.

It was wonderful while it lasted. Americans felt that whenever a problem arose, government could solve it without painful tax increases. This dream world ended in the

N EW YORK — What is Michael Dukakis going to say about the economy to convince voters that the

Democrats can do a better job?

Any focus by Mr. Dukakis on eco-

nomic issues is risky. The length of the

present expansion, now into its 68th

month, is impressive. Unemployment

is 5.2 percent, the lowest level since 1974. The dollar decline has ended and a period of stronger export growth

is ahead. The Dow Jones averages

is anead. The LOW Jones averages have recovered enough to give the impression that the debacle of October can be forgotten. No wonder 54 percent of the people in a recent Gallup poll for the Times Mirror Company are optimistic about their financial

prospects. Only the drought, with its

parched farms and portent of rising

food prices, warns of peril.

What Mr. Dukakis must point out,

then, is that the economic statistics touted by the Reagan administration were achieved at high cost. He must

persuade voters that a policy promot-

ing immediate economic gratification may appear to work in the short term,

but if unchecked will prove disastrous

The Dukakis economic message

should neither deflate the electorate's immediate sense of optimism nor

overlook its concern about the future.

It should be that today's economic

well-being provides an opportunity -

perhaps the last — to correct mistakes before our children must pay for them.

Mr. Dukakis can point out that the

presidency should not be measured solely by the real growth in GNP, the

level of inflation or the rate of unem-

ployment. These are indicators of

success, but no administration lasts

longer than eight years, which is a

There are real changes occurring in

America's economic relationship to

the rest of the world. For one thing,

short time in economic terms.

to future generations.

military spending became tougher.
Presidents Carter and Reagan could not deal with the change. Mr. Carter tried to let taxes rise and to stimulate faster economic growth. He got inflation and a tax revolt. Mr.

Reagan stopped the upward drift of taxes and increased military spending.

He got huge budget deficits. What the two men shared was political failure. Neither could create new

him is mostly political, not economic.
During the Reagan years, Congress has had trouble eliminating any spending programs. In 1987 the tax

**Dukakis Should Warn About the Future** 

By Peter J. Solomon pionecred, is no longer dominated by

foreign oil is on the rise again. Wealth-generating industry is growing strongly in Japan, South Korea and Taiwan. The U.S. trade deficit with those three countries alone was \$77.6 billion in 1987. American liabilities to foreign countries will soon total half a trillion dollars. That debt is likely to grow to nearly a trillion dollars by the early 1990s. The United States will still depend on foreign buyers to purchase, among other things, the Treasury notes and bonds that fund the budget

deficit. It will have to keep U.S. interest rates unacceptably high in order to attract foreign capital.

A growing debt burden also requires the United States to keep the dollar's value low in order to improve the trade numbers and to slow debt growth. But a weak dollar is not simply an expensive inconvenience for

American tourists. It signals a fire sale of United States assets. This loss of economic self-determination, left uncorrected, will become the legacy that Americans leave to their children. The 21st century could be a period of dangerous dependence on OPEC for energy and of painful debt payments to foreigners.

Past generations bought and paid for America's present standard of living. Current Americans are robbing future generations to preserve this liv ing standard. As a nation, we feel we can buy anything, spend what we want and live anywhere. But what will we pass on? The legacy of trade and budget deficits that require foreign financials. ing is a future of higher interest rates, higher inflation and more of our children's earned income sent to foreign the global economy, which America lands to pay for today's spending.

This is the challenge: to alert the country to the possibility that it is beggaring its children. Mr. Dukakis should acknowledge the strength of the United States. Dependence on the current economy while noting that signs of "spend now, pay later" have become more prevalent in the Reagan years. He should be optimistic about

> vision, and his competence, to rebal-ance America's economic position. The writer is vice chairman of the investment firm Shearson Lehman Hutton. He contributed this comment to The New York Times.

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ing tomorrow. And be should use that

100, 75 AND 50 YEARS AGO

would be the popular feeling that no member of the party could stand."

do not want General Castro.

1938: Corrigan Excused NEW YORK — Douglas P. Corri-

find that he was "grounded" only for the duration of his voyage home when be arrives here from Europe on Thurs-day [Aug. 4]. Action was taken because Corngan started out on his errant hop without official permission. Punishment is benign, said Colonel Monroe Johnson, Secretary of Commerce for Air, "because of the worldwide sentiment the good-will flight has has established a strict censorship of all despatches, and notification of all despatches, and notification of

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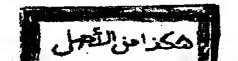
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# MWAY 19th century by disciplined to be so century of their own society de and such such substitution until the earth of the substitution of the attempt to t Summertime Blues Likely To Slow Market in August

By CARL GEWIRTZ

Imernational Herald Tribune ARIS — The summer doldrums are expected to substantially slow activity in the international capital market this month. The height of the vacation season comes at a time when interest rates still are moving upward and currency rates still are very uncertain — all of which will deter investors from making new commitments.

The best the market has going for it is a relatively heavy flow of interest and principal repayments scheduled for September and October, when \$12.5 billion in payments will be available for

offering securities before the end of this month to establish an early footbold before the tra-

Analysts expect the

to move into

neutral ontil

leading central banks

ditional autumn crowd starts to form. The signal for the rush to begin could be sounded at midmonth, when Washington is to report the size of the June U.S. trade deficit. Another favorable number could have a big impact, attracting investors into dollar-

November. denominated securities. Since bond markets are currently driven by developments in the foreign exchange market, the big question is where the dollar is headed. Last week, despite continuing concerted central bank intervention, the dollar again appeared headed to testing its

recent highs, and analysts were uncertain whether it is now locked into a narrow trading range or poised for a dramatic move. One factor that makes analysts cautious is the coming climax to the West German tourist season. The vacation period for North Rhine-Westphalia, Germany's most populous atate, ends Aug. 15. For Roland Scharf at Hessische Landesbank, that will

'signal "the end of the annual hemorrhage." In last year's third quarter, West Germans spent 16 billion Deutsche marks (\$30 million at the current exchange rate) on tourism. And as West Germany is considered undeveloped regarding the use of credit cards, the necessary foreign exchange is often purchased before tourists leave for vacation.

All of this means that within two weeks the Bundesbank's intervention to support the mark could become a lot more effective than it has been because it will no longer have to fight the enormous sales pressure from tourists.

NOTHER factor analysts worry about is the U.S. presidential election in November. So far, it has been overlooked in the foreign exchange market, but, as the campaign heats up, incantious comments by the candidates could cause foreign investors to take fright.

But the consensus view is that between now and November, Washington will do its best to maintain a stable to strong dollar. Analysts believe that the Federal Reserve Board will offset any threat of the dollar's weakening by using that opportunity to snug up interest rates. That would make dollar-denominated investments relatively more attractive and reassure foreigners of the vigilance to keep inflation under control.

The Fed has ample reason to raise rates. Last week's economic data showed a very sharp increase in orders for durable goods and a big rise in consumer spending in June and continued rapid overall growth in the second quarter.

But apart from an expected 1/4- to 1/2-point increase in West Germany's money market rate, signaled by last week's hike in the Lombard rate, analysts expect the leading central banks to move into neutral until November so as to avoid destabilizing financial markets ahead of the election.

Analysts are not prepared to look beyond year-end, since the economic policy of the new president is still an unknown. Many academics in the United States are urging whoever is elected to quickly implement tax increases to cut the budget deficit and get

the pain over before the congressional elections two years later.

Convincing action on the budget deficit could radically improve the outlook for the dollar, whereas no action could reawaken fears that the dollar rally this year simply worsened the U.S. capacity to deal with its international trade and current-account

How bond-market investors deal with these uncertainties is still anybody's guess. At present, there is no appetite for bonds. Money available for investment is placed short term, on deposit with banks or used to purchase commercial paper.

This is the classic environment for floating-rate instruments, whose periodic coupon resettings offer the best protection

against further rises in interest rates. The British pound is especially attractive in this regard since the currency is still buoyed by high interest rates and expectations of further increases. In addition, the government's anti-inflation squeeze has eaused the yield curve to invert — putting shortest-dated rates higher than longer term money. Little surprise, then,

that three sterling floaters emerged last week totaling £335 See EUROBONDS, Page 9

#### **Currency Rates**

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#### Last Week's Markets All figures are as of close of trading Friday

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# **Pact Eases Payments** For Brazil

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#### Paris Club Accord Covers \$5 Billion

Compiled by Our Staff From Dispatches PARIS — Brazil and foreign government creditors have signed an accord rescheduling nearly \$5 billion in debt with a five-year

grace period, spokesmen said. In Brasilia, Finance Minister Mailson Ferreira da Nobrega of Brazil said the agreement, reached Saturday with 13 creditors in the socalled Paris Club of government lenders, provided for his country to pay back \$3.856 billion in principal plus \$1.136 billion in interest over 10 years with a five-year grace period.

Observers said it was unusual for rescheduling arrangements by the Paris Club to include interest as well as principal.

This is the best and most ample accord that Brazil or any other Latin American country has ever signed with the Paris Club," Mr.

Brazil had been up to date in interest payments to the Paris Club when it signed the accord.

Early last year, however, Brazil declared a freeze on interest payments on most of the commercial portion of its \$121 billion foreign debt, the largest in the developing

The country recently agreed to an arrangement with its creditor banks that reduced the interest on more than \$60 billion of commercial debt. The pact also provides \$5.8 billion in new bank loans for

Mr. Nobrega said the Paris Club agreement meant Brazil had finally recovered all of its good standing in the international financial commu-

"We can say that our relations are now completely normalized with world financial centers," he

A Paris Club statement said the creditor countries "welcomed the efforts at economic recovery" undertaken by Brazil and wanted to make a positive contribution to the improvement of this country's external payments prospects in order to facilitate the recovery of its

Sergio Amaral, the head of the Brazilian delegation in Paris, said payments due through Sunday would be payable over 10 years, with five years' grace.

Debt repayments falling due improve productivity. com August 1988 until March 31. Capital spending this year is exfrom August 1988 until March 31, 1990, will also be spread over 10 years, with five years' grace, as will 70 percent of the interest due during this period.

The 13 creditors involved in the communications equipment, they has been caused by plant closures agreement are Austria, Belgium, say.

Britain, Canada, France, Italy, Japan, the Netherlands, Spain, Sweden, Switzerland, the United States by among manufacturers or in the strailed and the U.S. growth rate has trailed and West Germany. (Reuters, AP) economy as a whole.

By Kurt Eichenwald



The first Soviet Visa card, issued to Yuri Titov, secretary of the National Olympic Committee.

# Moscow Lifts Plastic Curtain

NEW YORK - Soviet institutions have issued their first Western credit cards, and the premier of television advertising in promote such capitalist tools is scheduled for Monday.

Mastercard International of New York said on Saturday that its Eurocard-Mastercard was issued by the official Bank for Foreign Economic Affairs, known in Russian as Vnesheconombank, to Yu S. Moskovsky, chairman of the institution.

On Friday, the first Visa card, called SovCard. was issued to Yuri Titov, secretary of the Soviet Olympic Committee, said Dan Brigham a Visa International spokesman in San Francisco. The card was issued by Intourist, the Soviet company for foreign travel.

Mr. Titov said in a prepared statement released by Visa that be had declared Visa the "official credit card" of the 1988 Soviet Olympic Team. An Intourist spokesman predicted SovCards soon would be available to the general population.

A 75-second MasterCard commercial is scheduled to air Monday during the popular Soviet news program, "Vremya," according to Howard Pul-chin, a MasterCard spokesman in New York. The so-called "Gold Card" eventually will be widely available in the Soviet Union, he said. Mr. Pulchin said MasterCard would "like to see

the number of customers in the millions."

economists question whether the lieve.
investment boom will significantly
"The outlook for man

is being spent on office and tele- cent years but some of that growth

"We don't know how many people will qualify right away," he added. "At first they will go to

selected customers but beyond that, the sky is the

Vnesheconombank also signed an agreement with Eurocheque International under which the Eurocheque, a check guarantee and cash-dispenser card in widespread use in Europe, will be issued to Soviet customers.

Under the bank agreement, 40 million Eurocheque cardholders will be able to make checks out in rubles to Soviet hotels, restaurants and other busi-

The credit limits of the cards and other policies governing their use were not available.

Intourist joined Visa as a card-issuing member in January. It issued the card through Sberegateluybank, a Soviet bank with sole responsibility for consumer banking, Mr. Brigham said.

Mikhail Misko, director of Intourist's credit card program, said in the statement, that he is working with Okobank, the Finnish cooperative bank, to "establish the systems necessary for our Visa card to be accepted worldwide." Credit cards have been accepted in the Soviet

Union for about 15 years at Intourist shops for foreign visitors, and Vnesheconombank started a cash service for Eurocard and MasterCard holders

A small number of Soviet citizens — most prominently Raisa Gorbachev, the wife of Soviet leader Mikhail S. Gorbachev — have carried charge cards such as American Express and Diners Club. But those cards are not issued by banks and do not extend credit to cardholders. (AP, UPI, AFP)

Result of Heavy U.S. Capital Spending Doubtful

Reuters

And bureaucratic inefficiency in the top said. Productivity among the top are better. But while things are in a seven industrial countries on average pouring billions of dollars into new plant and equipment but some productive innovations, they be-

that of some of its trading partners. risen three times faster, the report ture."

# **NCNB Victor Among Bidders** For Texas Bank

New York Times Service

energy loans at Interfirst.

L. William Seidman, chairman of the FDIC, said the ultimate cost DALLAS - NCNB Corp. has won the bidding among banks seeking to take over First Republic-Bank Corp. and has assured hundreds of employees of the largest Texas banking company that their jobs are safe despite what could be the costliest bailout in history. ceed the amount for the biggest bank rescue on record: the 1984 bailout of the Continental Illinois National Bank & Trust Co., in Chi-

The Federal Deposit Insurance Corp., which rescued First RepublicBank from collapse in March with \$1 billion in emergency loans, said it had rejected bids by Citicorp \$1.7 billion. and a First RepublicBank management team by Friday morning. That left NCNB, which is based

in Charlotte, North Carolina, and is the largest banking company in the Southeast United States, and Wells Fargo & Co. of San Francisco as potential buyers of the trou-bled Texas institution.

The final FDIC decision on the takeover, which will require a \$4 billion outlay by the agency, was made late Friday.

percent from the FDIC.

H. Ross Perot, the investor and philanthropist, who lives in Dallas, has agreed to buy all or part of \$180 million of preferred stock that NCNB plans to issue in connection

with its equity investment, The new bank, named NCNB Texas National Bank, is to be managed under contract by the FDIC ontil the details of the bailout are completed.

Executives of NCNB assured First RepublicBank workers on Saturday that their jobs at the bank holding company, with \$26.8 bil-lion in assets and 41 banks, were not threatened.

First RepublicBank was formed from the merger of the Republicbank Corp. and Interfirst Corp. in June 1987 in an attempt to stem five years of turmoil dating from a

on new plant and equipment was

expected to increase by 11.9 per-

cent this year to a record \$435.18 billion but some economists doubt

whether this will improve produc-

nelley employee maintained an ac-count at their office through which

trades were frequently made on in-

formation in the magazine before

the publication was distributed.

The account was suspended after

Harvard Business School professor The U.S. Commerce Depart-

tivity index has increased eight said: "We can't coont on closing times faster than that of the United down inefficient plants and opera-

The council last month issued an

index showing that U.S. manufac-

turing productivity gains had lagged behind those of other major industrialized countries since 1972.

Japan'a manufacturing produc-

People familiar with the investigation said Mr. Dillon regularly

had breakfast on Thursdays with

he received copies of the magazine before it was distributed.

The Connecticut printing plant

appears to be linked to the former

#### licBank consisted of \$1 billion in loans advanced in March, \$2 billion to be paid now to restore the bank to solvency and \$1 billion in the near future once all the assets of the new bank are written down to reflect their true values. more than \$2 billion of losses so far

shocking loss in 1983 from back

at First RepublicBank might ex-

cago. The initial aid to Continental

was \$4.5 billion, although the

FDIC expects to get back all but

Mr. Seidman said the \$4 billion

of FDIC outlays for First Repub-

First RepublicBank has posted this year, many connected with write-offs of bad real estate loans.

The FDIC, which gets its money NCNB is to make a 20 percent through assessments on U.S. comand would obtain a five-year option to purchase the remaining 80 percent from the EDEC.

# Report Finds U.S. Growth Slid in July

NEW YORK - The U.S. economy kept growing in July although the pace slowed slightly from the previous month, according to a sur-vey of corporate purchasing managers for release Mouday. The National Association of

Purchasing Management, which conducts a monthly survey of economic trends at more than 250 industrial companies, said its index of growth slipped to 59 percent in July from 59.3 percent in June. A reading above 50 percent indi-

cates the economy is expanding, while levels below that point generally show the economy is contract-

Production growth slowed in July, although new orders expand-

"The vigorous increase in new orders, undoubtedly fueled by the surge in export orders, is impressive and signals continued robust economic growth for the balance of the third quarter," said Robert J. tivity significantly.

Daniel Burton, vice president of Bretz, chairman of the group's business survey committee.

the Council on Competitiveness, said: "We can't coont on closing Among the purchasing managers surveyed, 31 percent indicated their new orders had expanded, compared with 34 percent in June. States, and West Germany's has tions to boost growth in the fuwhile 12 percent said their rate of new orders was worse, the same as

Of the 70 percent of the group's members that export, 39 percent reported higher export orders dur-ing July, up from 38 percent in June, while only 3 percent said export orders were worse, the same as

in the previous month. Production slowed for 13 percent of the companies, compared with 12 percent in June, and increased for 25 percent, down sharp-

ly from 35 percent in June. Inventories grew rapidly, with 22 percent of the purchasing managers reporting higher inventories, compared with 18 percent the pre-

vious month, and 18 percent rethat it had dismissed Brian Callaporting lower inventories, comhan, the broker responsible for the pared with 22 percent in June. account. The firm said that it took The group said that accounting the action after an investigation for normal seasonal variations, the information in the case was being

rate of inventory increase was the greatest since July 1984. "Some of the increase in inventory may be attributed to receiving

products earlier than required from suppliers who closed their plants for vacation and maintenance and as a hedge against the significant number of price increases that went into effect July 1," the group stat-

#### These people said Mr. Dillon William Dillon, a Merrill Lynch volved in the inquiry were coordithe suspicious trading was discovprematurely leaked from Business had become friendly with the Donnelley employees before he worked for Merrill Lynch. At the time, they Week magazine. Brokers and their customers are A spokesman for Donnelley said The suspicious trading involves brokers said, Mr. Dillon was working as a who work near two plants owned by R.R. vestigate the matter. bartender and his wife worked at Prudential-Bache said Friday the Donnelley plant.

believed to have obtained copies of Business Week after the magazine was printed but before it was publicly distributed.
The Securities and Exchange

Commission, the New York Stock Exchange, the American Stock Exchange and the National Associa-tion of Securities Dealers are study-was dismissed Thursday after com-many of those under investigation ing the trading.
Prodential-Bache Securities Inc.

on Friday dismissed a stockbroker in its Anaheim, California, office, and Advest Inc. suspended a bro-ker in New London, Connecticut, as a result of internal investiga-Shearson Lehman Hutton Inc.

said up to three former E.F. Hutton gated.

brokers in Hartford, Connecticut, appear to have traded on the information before August 1987.

Mr. Dillon is at the center of the inquiry, investigators of the case said. Executives of Merrill Lynch New York Times Service appear to have traded on the NEW YORK — Stock trades mation before August 1987. reportedly executed through at

pected to reach record levels be-

cause of a lower dollar and an ex-

port surge but much of the money

Whether the various brokers and said a second broker in the firm's employees of the company's plant clients were acting in concert has New London office, James Smith, at Old Saybrook, Connecticut, and least six brokerage houses are unnot been determined, although was also under investigation. der investigation in an expanding inquiry into trading based on inforlinks have emerged between some Although it is not clear whether mation that investigators said was of those under investigation.

Donnelley & Sons, which prints Business Week magazine.

Street Column in the magazine. People familiar with the inquiry said accounts at Quick & Reilly

Group and Charles Schwab & Co. held by a friend and a relative of Mr. Dillon also are being investi-

pany lawyers found records suggesting be traded in stocks using information from the Inside Wall office as did Mr. Dillon, and the Advest broker worked in the same The suspicious trading involves

the various traders and brokers in

productivity is O.K., but I wouldn't say it's extraordinary," said Ste-

phen Roach, senior economist at Morgan Stanley & Co.

and job cuts in such industries as steel, which have also lowered over-

New Insider Inquiry Is Said to Include Trading at 6 Firms

U.S. productivity has risen in re-

lication of McGraw-Hill Inc.

brokers who work near two plants owned by R.R. Donnelley & Sons, which prints Business Week, a pub-

E.F. Hutton brokers as well. According to a spokesman for discovered the trades and that the Shearson Lehman Hutton, into which E.F. Hutton was absorbed last year, the suspicious trading activity took place in its Hartford office before August 1987. The bro-

les, is close to the Anaheim office of column.

vide their names. Donnelley's plant in Torrance, changes of its suspicions, but that it California, a suburb of Los Angetook steps to control access to the

kers no longer work for the company, and Shearson would not pro-

ticed in 1987 by Gene G. Marcial, the writer of Inside Wall Street. The magazine has said that it did not inform the SEC or the ex-

referred to regulatory authorities.

Executives of Business Week

have said the trading was first no-

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# EC Boosts '88 Allocations For Esprit II Programs

BRUSSELS - The European Community will allocate more funds than it had planned for its Esprit II research program, which aims to keep up with U.S. and Japanese advances in information

EC officials said Friday that the 1988 allocation would amount to \$874 million, for 158 research and development projects. Allocations will exceed the 1988 target of \$672 million because so many researchers applied for funds.

The selected research areas are microelectronices, information processing systems and applications for research technology. Jean-Marie Cadiou, director of the five-year program, said a major item on this year's funding list was a \$90 million project on high-speed silicon bipolar circuits, used in telecommunications and

The three-year project, employing 200 people, will bring together Siemens AG and Teg-Telefunken Electronic GmbH of West Germany, NV Philips of the Netherlands, France's SGS-Thomson Microelectronics and Britain's Plessey Co. In another project of about the same size, Olivetti & Co. SpA of

Italy, Bull SA of France and ICL of Britain want to develop a cheap and highly versatile computer workstation. Esprit II has been allocated 1.6 billion European currency units (\$1.8 billion) in spending money over five years, as part of the EC's The finest hotels in the world offer



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EUROBOND!

(mixed from first finance page)

and interbank rate, which ended to reck at 10% percent.

of interest to investors burned by the collapse and subsequent illimiting rate notes is the formula tax Merill Lynch has used in adoption issues it managed to make again last week in the Bank.

Entry three months. Merrill and its acto agree on now much of a segment the London interteant at the notes will bear. For

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GUATEMALA CITY — The description of Contral American vice president and a definition of the Contral American vice president and a definition of the Contral American Community and the funded Nations that would gentlement eather a Contral American deposite decomposition for region's a Contral American provision for modern international relations, said vice president Carpio of Guatemala testing attended by the region's products and officials from the Cand United Nations.

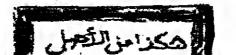
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**EXOATING RATE NOTES** 

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margin over the London interbank issue that attracted genuine interest was the five-year \$150 million of

the week at 10% percent.

floating rate notes is the formula

that Merrill Lynch has used in

three previous issues it managed

(Continued from first finance page) the first three months, this was set fering from Sara Lee. Even so, it at 1/4 point over the interbank loan ended the week down 2 points, million, all pegged to the three-month interbank rate, which ended rate. If they fail to agree on what leaving it trading outside the 1% the margin should be, the fallback level is 1/2 point during the first 10 derwriters. Of interest to investors burned years and % point over the inter-by the collapse and subsequent illi-bank rate in the final five years. quidity of dollar-denominated

What is important for investors is that any time the margin is set below that fallback level, noteand repeated again last week in the £100 million issue for Trustee Savholders can reject the proposed

The seven fixed-rate Eurodollar bonds, totaling \$970 million, gave Every three months, Merrill and an exaggerated view of what was TSB are to agree on how much of a happening in that sector. The only

# **Central American Nations** Seek \$4 Billion in Aid Plan

United Press International GUATEMALA CITY - The five Central American vice presidents have agreed to propose a plan to the European Community and the United Nations that would generate about \$4 billion for region's depressed economies.

This plan is a Central American initiative that will have important repercussions for modern international relations," said Vice President Robert Carpio of Guatemala on Friday as he closed a two-day meeting attended by the region's vice presidents and officials from the EC and United Nations.

The vice presidents, from Nicaragua, El Salvador, Honduras, Coser, the companion 150 million issue ta Rica and Guatemala, called the conference to plan for regional economic integration.

Mr. Carpio said that Central American ministers of industry and agriculture, as well as officials from the Ministry of Central American Integration, known as SIECA, also met this week to help formulate the

plan but he gave no specifics. Mr. Carpio said the plan includes strategies for "the recovery and development of the regional economies. And the help of international organizations is indispensable."

ing zero-coupon U.S. Treasury bonds to back the restructuring of medium-term bank loans to Mexico has taken a new turn and is now being applied to short-term inter-

By Carl Gewirtz mal Herald Tribune

هكذامن التجل

New International Bond Issues

Compiled by Bassam Aoun

Over 3-month Libor. Redsemable and callable in 1993. Fees

Over 3-months Libor, increasing to 50 basis points after 10 years, Foss 0.40%.

Over 3-month Libor. Margin to be reset quarterly upon agreement between borrower and lead manager Merril Lynch. Foll-back rate is 50 basis point over Libor in 10 years,

Noncollable. Fees 13%.

- Noncollable, Fees 13/2

99% Noncollable. Fees 1%%.

991/2 Noncollable, Fees 17/2.

981/2 Noncollable, Fees 21/1/4.

98.30 Normilable Fee 18%

991/4 Nagonflable Feet 1856

99.95 Noncollable. Fees 196%

99.05 Noncollable. Fees 1%%.

Redeemable and collable in 1991, with redemption amoun

Recomption is linked to the yen/dollar rate at maturity. Fees 1%%.

collable. Each \$5,000 note with one warrant exercisable into company's shares at 682 yen per share and at 132,95 yen per dollar, Fees 24%.

Nancollable, Each \$5,000 note with one warrant exercisable into company's shores at 2,799 yes per share and at 133,30 yes per dallar, Fees 25/%.

NancoBoble, Each \$5,000 note with one warrant exercisable into company's shares of 847 yea per share and of 133.55 yea per dollar, Feet 24%.

Coupon indicated at 49%. Nancallable. Each \$5,000 note

Noncollable, Each \$5,000 note with one warrant exercisable into company's shores of 2,050 yen per share and of 132,95 yen per shallor. Feet 2456.

Noncollable, Each \$5,000 note with one warrant exercisable

into company's shares at 832 year per share and at 133.50

Semionreal, Callable at 104 from 1991, Each \$5,000 note

Noncallable, Each \$5,000 note with one warrant exercisable into company's shares of 1,025 yen per share and at 133,30 yen per dollar. Fees 24%.

Noncollable. Each \$5,000 note with one warrant exercisable into company's shares at 1,025 per share and at 132,75 year per dollar. Fees 2½%.

Nancollable. Each \$5,000 note with one warrant exercisable into company's shares at 1,363 yen per share and at 132.95 yen per dallar. Fees 214%.

Noncoloble, Each \$5,000 note with one womant exercised:

into company's shores at 2,676 yen share and at 133.50 yen per dollar. Fees 216%.

NancoBable, Each \$5,000 note with one warrant exercisable

into company's shares at 677 yen per share and at 133.50 yen per dallar. Fees 2%.

Coupon indicated at 4%, Noncollable, Each \$5,000 note with

one warrant exercisable into company's shares of an expected 25%. Fees 25%. Terms to be set August 2.

Coupon indicated at 44%. Noncollable. Each \$5,000 note

with one warrant exercisable into company's shares at an expected 24% premium. Fees 24%. Terms to be set August

Noncollable, Each \$5,000 note with one warrant exercisable into company's shares at 1,282 year per share and at 133.30 year per dollar. Fees 2W%.

Noncollable, Each \$5,000 note with one warrant exercis

Noncollable. Each \$5,000 note with one warrant exercisable

In the equity-linked sector, only

three oew issues were launched into

an overcrowded and depressed

market. At week's end, the Japa-

nese lead managers agreed to post-

pone the 20 issues scheduled to

have been launched over the com-

ing two weeks. The issuing morato-

rium applies only to dollar-denom-

inated bonds, leaving open the

prospect of issues denominated in

The only issue for which there

was an enthusiastic reception was

Austria's 250 million Canadian

dollars. The three-year notes bear-

ing a coupon of 10 percent were

offered at 101 and ended the week

Vuitton fared well with its 900 mil-

lion French franc offering, Howev-

awaited Russian issue from the

Bank for Foreign Economic Affairs finally emerged with a life of only

seven years rather than the 10-year

maturity sought by the issuer. The

paper was snapped up by banks

wanting to score points with the

at 99.95.

Deutsche marks or Swiss francs.

with one womant exercisable into company's shares at 3,0 yen per share and at 132.95 yen per dollar. Fees 29/%.

th one worroot exercisable into company's shores at an pected 26% premium. Fees 26%. Terms to be set August

ons 50 million yen, Fees 197%.

then and at maturity linked to the performance of the

1011/2 991/s Noncollable, Fees 17/76.

101/4 1011/4 100.70 Noncollable. Fees 176%.

13 101% 99.58 Noncoffable, Fees 13/26,

1991 131/4 1015/ 100.35 Noncollable. Fees 11/1/4

1011/2 99.05 Noncolloble. Fees 13/1%

101% 99.08 Noncolloble. Fees 13%.

Mot. Coup. Price

0.25

91/2 1011/2

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FF 900 1991 81/2 1011/2 99.98 Noncollable. Fees 17/1%.

10% 100%

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C\$ 120 1991 101/4 1011/2 991/2 Noncollable, Faes 13/5.

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1992 3% 100

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\$100 1993

1992

1993 open 100

1993 91/2

9%

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91/2

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1992 61/2 101%

\$300

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ECU 150

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C\$ 75

Aus\$ 100

Aus\$ 60

Y10,000

Banco Nacional de Mexico. known as Banamex, state-owned and the leading international commercial bank in the country, is of-fering its lenders an option to convert \$50 million of the slightly more than \$1 billion in existing interbank lines into 20-year floating rate nnies with repayment of principal secured with zero-coupon U.S. Treasury bonds.

Interbank credits normally run from overnight to 12 months. But caught with all the other credits Mexico was unable to service when its debt crisis crupted six years ago, the interbank lines have been rolled over and extended along with the

bank lines extended to Mexican response." PARIS - The technique of usbanks expires next July. Lenders

> INTERNATIONAL CREDIT year will obviously oot be interest-

ed in the Banamex proposal. The favorable response to the offering, however, indicated that banks are not optimistic. Privately, bankers expressed considerable discomfort about the strength reg-istered by the opposition in the recent presidential election. They worried about the prospect that the opposition would force the government in adopt a much more confrontational approach over the

debt with the foreign banks. The Banamex swap is being arranged by First InterState Bank, whose spokesman would only confirm that "the deal is in the market." Asked about market rumors that the size of the transaction

Mexican Bank Uses Zero-Coupon U.S. Bonds in Debt Swap

The structure of the loan is significantly different from the operawho think those credits will oot be tion launched by Morgan Guaranty for the government of Mexico. In that deal, banks were asked to subject to a new rescheduling next swap existing debt at a discount from face value for new debt backed by U.S. Treasury zeroes. In

> points over the London interbank offered rate in exchange for outstanding debt with a face value of \$3.7 billion Banamex is proposing a dollar-

nated floating-rate notes from Ban-

all, the government issued \$2.6 billion in new 20-year debt paying 1%

fnr-dallar exchange. Lending banks opting for the swap have to buy floating-rate notes issued by Williams Financial Services Co., a special-purpose company set up in the Cayman Islands. Williams is to use the money to purchase subordi-

amex, which is to use the proceeds tn repay the interbank lines.

The debt to the lending banks

# Treasury Bonds Lower Despite Late Rally

By H.J. Maidenberg New York Times Service

NEW YORK - U.S. Treasury bond prices ended generally lower last week but cut their losses in a rally on Friday, the first rise for the market in four sessions.

Dealers attributed part of the recovery to the usual preweekend portfulin balancing and an overnight improvement in the market's

The portfolin balancing mainly involved buying by traders halding short positions, while dealers said the improved mood resulted from the latest Federal Reserve Board statistics showing that the bank had not been tightening credit as aggressively as the bond marit as aggressively as the bond marous week but below the T/s percent ous week but below the T/s percent

drive interest rates sharply higher serves last Wednesday. as a means of cooling the economy

heightened on Wednesday, when sury bills were quoted at 6.93 perthe central bank moved aggressively to drain reserves from the bank-

The Fed's move that day coincided with data showing that the

U.S. CREDIT MARKETS pace, which also unsettled the bond Because of the

market because it increased fears of inflation, the bane of investors in banking system. Federal funds, the face of concerted currency market overnight interbank lending rate, intervention by the Fed and other ended the week trading at 7 13/16 central banks.

cent, up from 6.74 percent the week before, while the six-month bills ended at 7.11 percent, up from 7.05 percent

But despite the weekly rise, the rates were lower than at the Thursday close, when the three-month bills were quoted at 6.99 percent gross national product was con- and the six-mooth securities traded

Because of the positive mood on Friday, many bond traders ignored such bearish factors as a sharp refixed-income securities.

On Friday, the Fed added \$1 and other commodities, as well as bound in prices of precious metals billion of temporary reserves to the the firmness of the dollar in the

As trading ended, the bellwether Treasury long-term bond, the 91/4 percent issue of 2018, was being offered at 99 1/32, down about Among short-term government 5/32 on the week. The yield rose to and its demand for credit were securities rates, three-month Trea- 9.22 percent from 9.20 percent,

same time, Banamex will have cent of face value. transferred to Williams sufficient

assure repayment after 20 years. Williams therefore will own the zeroes and lenders will have immediate access to that security if Williams is forced into default because Banamex suspends paying interest on its floating-rate notes. This also contrasts with the recent operation for the Mexican government, where

the zeroes are held in custody by

the U.S. Federal Reserve System

and are not available to creditors

prior in maturity under any cir-

The subordination of the notes Banamex will sell to Williams will provide substantial additional benefit to the bank since, for regulatory purposes at home, such paper can be counted in the ratio it has to maintain against foreign-currency

In exchange for all this, lending banks will receive 20-year notes from Williams paying % point over Libor. The coupon does not represent a significant gain over what Banamex pays on existing interbank lines. The advantage lies in the assurance of repayment after 20 years, the fact that the deht can be carried on lenders' books at face value - the obligor is based in the Cayman Islands — rather than having to be written down as much Mexican debt is, and the likelihood that the lenders can sell the debt if they choose to do so.

Floating-rate nates are tradeable instruments whereas interbank commitments are nnt. In addition, the backing of the zero-coupon bonds means an enhanced market

Currently, Mexican debt trades at about 51 percent of face value. The 16 percent of face value that will go to purchase the zeroes would give an immediate market value to the floaters of at least 67,

A "gentlemen's agreement" ex-tending the \$5.5 billion of inter-said only, "We are gratified by the from Banamex to Williams. At the currently is quoted at 73-to-76 per-

The fees Williams will pay to additional cash so that it can pur-chase the U.S. zeroes needed to been disclosed, but bankers familiar with the details said the com-

mission is not large and does not dramatically change the yield. In other business, Compagnic Bancaire announced last week it had completed its placement of \$200 million of "perpetual" floating-rate capital notes, structured

on the same principle as the previous offering from Rhône-Poulenc. Officials at the European Commission in Brussels said the tax advantage allowed in these deals giving issuers the right to deduct as an interest expense part of the principal repayment, which is oormally not tax deductible - is not a direct

subsidy from the state and there-

fare not subject to review ar comment from the commission. Officials at state-owned Air France acknowledged last week that the company is looking at the possibility of increasing its capital using the same formula. But a spokesman insisted that oo decision has yet been made, nor is it possible to put a number on how much money the airline might seek.

In the loan market, National Home Loans Corp. of Britain is seeking a five-year revolving credit of \$90 million from banks in Asia. The loan, bearing a margin of % point over Libor, is being syndicated to regional banks in Japan as well as in South Korea and Taiwan in an effort by the company to widen and diversify its eredit sources, Citicorp and Bank of Tokyo are arranging the placement.

Chemical Bank announced last week it is syndicating a \$210 milion credit as part of the financing related to Television South's pur chase of MTM Entertainment. The bank loan consists of \$80 million to finance the takeover and the assumption of a \$130 million loan ontstanding to a subsidiary of the television productinn company.

# SEC Investigates General Cinema Stock Filing

BOSTON -The federal government and the New York Stock Exchange said they are examining an apparently bogus claim of a large Corp. that triggered a sharp rise in said be used "personal funds" to \$21.75. the price of the company's stock. Securities experts said Friday the

filing by an unknown London man from a fictitions London address of a 6.1 percent stock acquisition in the soft drink bottler and movie theater operator raised questions about Securities and Exchange Commission guidelines.
"It's very disconcerting," said
Sam Scott Miller, a New York so-

carities lawyer. "The system is designed to provide for very speedy tion showed no one named Johnasirable to let the public know when someone takes a position. But the incident certainly shows that it can be taken advantage of by some-

General Cinema, based in Chestnnt Hill, Massachusetts, received a that it wasn't a completed 13-D, brown manila envelope with no remade us feel it was a hoax." turn address and a New Jersey postmark late Thursday morning.

Inside was a copy of a letter to carried the report of the filing with mer SEC regional administrator the SEC from a Kile Johnasen of 15 the SEC in Washington on its fi- now working as a white-collar Apple Street, London, and a copy of a partial 13-D form, required whenever an investor holds more

False filings are 'not uncommon,' but typically involve misrepresentation of facts and not outright fiction.

eral Cinema worth about \$61 mil-But London directory informaspokesman, Peter Farwell, said.

acquire 2.8 million shares of Gen-

"We thought it was a hoax when it arrived here," Mr. Farwell said. The copy that was made, the fact But shortly after 2 P.M. Thurs-day, the Dow Jones News Service

well said. "People are making investment decisions. You want them made on accurate information." SEC filings are not reviewed be-

"It's a serious matter," Mr. Far-

company there is no Apple Street the need to ensure the authenticity in the city, a General Cinema of the SEC's 70,000 annual filings with the public's right to quickly learn about major stock acquisitions is difficult, securities experts

basement?" said Ira Sorkin, a for- cooperate."

nancial wires. Before the company crime and securities lawyer in New could react, the stock, which York, opened at \$20.875 a share, rose to a ..... "Filings occur all the time," he

said. "How do you check each one? It's a very difficult process."

Mr. Sorkin said false filings were "not uncommon," but typically involve misrepresentation of facts and not outright fiction. Form 13-D filings sometimes are the first sign of a takeover bid and can influence stock trading heavily.

An SEC spokesman, Chiles Larson, said the commission was examining the General Cinema filing.

"If a filing comes in to the commission it's received by a clerk sen, and London police told the fore being made public. Balancing through the mail," Mr. Larson said. "Clerks are not really securities analysts. The commission bolds all

with a filing, how do you know the messenger didn't print it up in his with a filing how do you know the messenger didn't print it up in his the incident "and we'll certainly

#### UAL Allowed To Sell Half of Apollo System

CHICAGO — UAL Corp. said it obtained federal approval to sell 50 percent of its Apollo computer reservation system in a transaction it val-

ued at \$500 millioo. Under the proposed transaction, the Apollo reservatioo system will be owned and op-crated by a joint venture. Covia Partnership, UAL said Fri-

The partnership will be 50 percent controlled by Covia Corp., which will remain a wholly owned subsidiary of UAL's United Airlines, and Covia will be the venture's managing partner.

The five nther partners will be KLM Royal Dutch Airlines, Alitalia, British Airways, Swissair and USair Group, the company said.

#### WORLD STOCKS IN REVIEW / Via Agence France-Presse

#### Amsterdam

boosted by a rally in international

by 44 percent, the Amsterdam marup 7 points from the previous week cover new positions before the an-

Sentiment was supported by susguilders against 6.445 billion in the

Frankfurt

EUROBONDS: Summertime Slowdown Is Expected The West German stock market Milan finished the week strongly, with the Commerzbank index 23.10 points higher than the previous Friday, at points paid in commissions to un-Dealers said markets showed lit-

tle reaction to the half-point in-crease in the key Lombard interest rate to 5 percent on Thursday. Trading volume in West Germay's eight stock exchanges reached

billion DM, compared with 15.06 billion DM the previous

Steels finished the week stronger, with Mannesmann up 11.40 Deutsche marks to 167.50 DM, Capital goods also posted gains, with Linde up 10 to 675 DML Auto stocks were also in demand. Daimler-Benz gained 13.50

DM to 688, BMW was up 5 at 509

DM, and Volkswagen rose 2.20 to

Hong Kong LVMH Moet Hennessy-Louis Trading was quiet last week with Paris speculation that local interest rates

would rise. in European currency units was shunned. In all, three ECU issues were marketed, but these were tied to the swap opportunities provided by the recent issuance by Italy of ECU paper in the domestic market. close at 2,678.92, a rise for the week The CAC finished last week at In the DM sector, the long-

of 17.72 points. Average daily turnover fell to The slight improvement in

ion Hong Kong dollars.

#### London

The stock market moved broadly London Stock Exchange indices ner. higher last week in brisk trading fluctuated narrowly last week in a generally quiet market.

The Financial Times 100-share Despite the disappointing an index ended the week at 1,853.6, up councement from Philips that on the previous week's close of earnings fell in the second quarter 1,844.8. The FT 30 share index was also up at 1,488.7 against 1,479.4. ket closed the week at a yearly high
Markets retreated at the start of
with the ANP/CBS general index
the week with investors reluctant to Markets retreated at the start of dex gained 0.61 points for the four

British current account figures for tained steady trading in the dollar June.
and optimism over half-year corporate results from the Umited States. Sharp increase in the British current Wednesday's announcement of a Total turnover was 5.305 billion account deficit did not have the expected impact on the trend, and after a brief fall, values picked up,

spurred by a firmer pound.

nonnoement on Wednesday of the

The Milan bourse had a positive Tokyo week, with the MIB index rising 2.22 percent against the previous week, even though volume was

Daily trading reached an average 145 billion lire but the 40 million shares daily average was down from 45 million the previous week. Encouraging performances from Generali and Fiat stocks, up 2.64 percent and 2.10 percent, encour-

aged others, especially in banking and communications. Pirelli & Co. rose 14.54 percent and Pirelli SpA was up 4.5 percent. Ferruzzi stocks was quieter. Montedison rose 1.64 percent, Ferruzzi Agricola was up just 0.32 per-cent and Iniziativa Meta dropped 0.27 percent. The announcement of

a deal between the ENI and Mon-

tedison chemical concerns came

too late Friday to affect trading.

The Paris Bourse was stuck last After falling 14.36 points on week in a holiday calm that little Monday, the Hang Seng Index reg- seemed to disturb and the CAC istered small gains Tuesday and index is taking its time regaining Wednesday, dipped slightly on heights attained before the markets. Thursday and rose again Friday to crisis last October.

354.3 against points, up from 349.9 The broader based Hong Kong the previous week but still lower Index rose 11.5 points to finish at than the 369.6 it was at before the market collapse.

696 million Hong Kong dollars France's foreign trade figures — from the previous week's 809.6 million francs against 1.4 billion francs in May -

# nor the U.S. GNP figures could stir setback of 621.45 year the previous

Singapore

moderately quiet trading in Singapore last week.
The Straits Times Industrial In-

Dealers said most institutions stayed on the sidelines in the absence of any market direction. Turnover fell by about a third to 176.8 million shares, valued at 302.6 million dollars.

Keppel Corp. Warrants remained the most active stock on turnover of 12.4 million shares. UPP was second with 7.10 million shares changing hands.

The Tokyo Stock Exchange ended a bullish week on an upbeat note Saturday with the Nikkei average topping the 28,000-yen level for the

first time since July 14.

Market analysis predicted that the trend would continue this week with no adverse factors in sight in the immediate future.

out the week at 28,199.94 yen for a tamanti offer came after trading befty 898.60 yen weekly gain after a closed on Friday.

the bourse in any significant man- week. The TSE index of all common stocks on the market's first section

chalked up a sizable 94,40 point weekly gain to 2,224,03. It lost
Share prices consolidated in 33.79-points the preceding week. Tradiog was moderate with about 900 million shares changing hands a day on average, down from

the previous week's 1.04 billion

trading days to close at 1143.41 on shares. Value rose to a daily aver Friday. It gained 11.84 points the age of 1.02 trillion yen from 998.1 previous week.

#### Zurich

Zurich had a quiet trading week with activity centering on insurance companies because of series of takeover and counter-takeover bids for La Suisse.
The Credit Suisse index ended

the week practically unchanged at 466.9 against 471.1 the previous week and the Society of Swiss Banks index was at 524.9 against 525 the previous week. Operators predicted that Rentenanstalt's offer for La Suisse

would succeed despite a rival bid made by the financier Tito Tettamanti. Rentenanstalt is Switzerland's biggest life insurance company and has the backing of the La Suisse board.

La Suisse shares ended the weel The 225-blue chip average closed at 12,200 Swiss francs, but the Tet-

#### **Euromarts** At a Glance

Europeand Violds

U.S. 8, int'l last, 5 yrs & over public leavers, 8 yrs & over other issuers, 5 to 7 yrs Pounds sherling, 5 to 7 yrs reack francs. less than 5 yrs ECU, 5 yrs & over Com. S. 5 to 7 yrs Aps. & Less thon 5 yrs

Source: Luxen

**Weekly Sales** 

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#### INTERNATIONAL POSITIONS

You will find below a listing of job positions published last Thursday under the rubric International Positions.

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TITLE	SALARY	EMPLOYER
NEWSWRITER		Radia Free Europe
FINANCIAL DIRECTOR		Major international company
DIRECTOR, MONITORING AND EVALUATION DIVISION	Competitive	Int'l Fund for Agricultural Development
MILITARY ENGINEER AND MAINTENANCE	Good	3M U.S. Government Services Europee
VICE PRESIDENT/ MANAGING DIRECTOR		Pharmaceuticals & consumer products

If you haven't seen last week's INTERNATIONAL POSITIONS rubric. please ask for a free copy: Max Ferrero, INTERNATIONAL HERALD TRIBUNE, 92521 Novilly Cedex, France. Tel: (1) 46.37.93.81. Telex: 613595

INTERNATIONAL HERALD TRIBUNE, MONDAY, AUGUST 1, 1988 NASDAO National Market .72 &7 .70 5.1 140 .44 3.2 .10e 9 40 23 40 33 1.34 24 .172 1,20 .44 .40 | Section | Sect 

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Wall Street Review EC: Community and Japan Are Working to Strengthen Their Axis, the 'Weak Side of the Triangle' in Trade opurpose" on round me sound steel by the U.S. Air Food NYSE Most Actives **AMEX Most Actives** the possibility of exchanges be-Robert L. Lettrad, who is a continuous of activists in Christoffed and to U.S. military is a continuous and continuous activities activities and The official aim is to avoid rak- narrow base of the export success ing over specific trade disputes and concentrate on broader aspects of the community's plans for 1992 and Japan's economic strategy. The community also wants to promote scientific, technological e open to possib and industrial cooperation. It has Chancents, senior lector the University of Congreat hopes for a new EC-Japanese iodustrial cooperation center, opened in Tokyo last year, which is intended to help small and medium-size European companies gain access to the Japanese market. For despite the tentative steps to proaden the dialogue, trade is likely lize the deficit at its 1987 level, EC to remain the principal touchstone of EC-Japanese relations for the NYSE Sales **AMEX Sales** foresecable future. If the atmosphere has recently 7 stal for week Week ago Year ago Jan 1 la date 1967 to date improved, EC officials said, it is this. Mr. Clements **NYSE Diaries** AMEX Diorles about 3 percent to 21 billion Euro-NASDAO National Market OTC Consolidated trading for week ended Friday. JO 44 eers for the war will During ld .25 2.3 a :: lawwiate The Washingar of the Washingar men leagn foregapt. Subsect Hamand THE MENDEME and of the cosets and the company tition h and Samuel and and least - प्राप्ती इं≀ .44 5.1 .44 1.5 .88 5.0 i i dite for 125 Iaims 🕪 - 三田曜 - TOTAL in Sin Sin In Eig Bale -[CHE 122 معتبيط أيد. الأن المستدادة Option & price Cells THE RESIDENCE OF THE PROPERTY 

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STREET OF THE PARTY OF THE PART

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the community. Japan, they complain, is reduc ing its trade deficit with the United largely because the community States far faster than with the communated to reduce its trade desicit, munity. While Japanese exports to with Japan in 1987 for the first time the community rose by 6.1 percent in nine years. With a 19 percent last year, they fell by 5.6 percent to increase in EC exports to Japan, far the rest of the world and by 10.4 better than the U.S. performance, percent to the United States, acthe community's deficit fell by More recently, the officials said, pean currency units (\$23.4 billion). the pace of Japanese exports to the That, EC officials said, means community has again picked up, to Sales in Nei 100s High Low Last Chiga 217 A 25 A 4 11 55 5 770 + 10 870 -474 + 12 .70 2.5 7907 45 2646 45 45 45 45 45 45 45 45 45 45 45 45 674 475 775 776 4

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increasing again. and whether the trend can be main-One quarter of last year's export are in for a real change in the trad-increase, for instance, was accounting pattern," said an official at the anxious. Japanese officials argue ed for by cars, mainly high-priced Mercedes, BMWs, Audis and Jaguars. Honda and Nissan, the European officials pointed out, are now sions" in European countries. responding with competing models "aimed at targeting exactly that part of the market."

If the car sales fall off, they said, it will be difficult to keep up the rhythm of expansion. Just to stabiexports have to grow two-and-half times faster than Japanese sales to

37 percent to keep the deficit from the Japanese market solely for

This autumn will tell us if we ing pattern," said an official at the anxious. Japanese officials argue European Commission in Brussels, the EC's executive body. If the deficit were to rise again, be warned, there would be "political repercus-

The community accepts that exchange rate movements are a major reason for the faster decline in the Japanese deficit with the United States than with Enrope. From February 1985 to last month, officials pointed out, the yen rose by 105 percent against the dollar, compared with only 17 percent against the ECU, making Japanese goods much more expensive in the United States than in Europe.

The economic consequence is that the EC market is more sexy from the point of view of profit-ability than the U.S. market," said one European official.

What worries the Europeans is that Japanese goods kept out of the United States, either by the low bene dollar or by U.S. trade policy, will gne.

American exporters.

Both Washington and Tokyo say that different U.S. and European driver operations" inside EC borproduct standards make it impossi-ble to switch many products, like cars, from one market to the other.

"We don't believe there's a problem if the Europeans are vigilant," said Alfred H. Kingon, the U.S. ambassador to the EC. Equally, he said Alfred H. Kingon, the U.S. and undercut European competi-ambassador to the EC. Equally, he tors. The Japanese, community of-said, "we have no problem if the ficials further allege, often cheat by Enropeans export whatever they want to Japan."
EC officials, however, complain

that in recent agreements with Ja-pan, covering such items as Ameri-can beef and citrus exports, U.S. participation in Japanese construction projects and the promotion of tention seems to be simply to proAmerican exports in general, the mote Japan's export infraUnited States has made bilateral structure," the commission said deals that violate the principles of last month. deals that violate the principles of the multilateral trading system.

By contrast, European efforts to open up the Japanese market, such as for wine and spirit sales, also benefit the United States, they ar-

that the community is finally "on an annual growth rate of around 14 be diverted to the community at the the right track" in its trade with or 15 percent. That meant that EC same time as Washington is using current complaint is against Japan ously to study the external implications of the single market. Officials alleges, are evading community said it was unlikely to develop a anti-dumping duties on their cutprice exports of such items as elec-year, tronic scales and typewriters by

Nevertheless, Mr. de Clerco and transferring production to "screw- other senior officials have already made it clear that an element of 'reciprocity" will be required. If These plants, the community other countries want full access to says, often simply assemble lowthe community's new integrated cost Japanese components so as to market, they will have to offer evade duty on the finished product equivalent access to their own marequivalent access to their own mar-kets in return.

If it succeeds in establishing the single market, the community could finally exercise influence comparable to that of the United States in its relations with Japan, according to both American and European officials.

"Once we have the world's biggest single market, the Japanes will just have to take notice," an EC official said.

In dealing with Japan, "it's a question of muscle," Mr. Kingon said. "It always has been. When The community insists that the opening up of the Enropean market will benefit other countries as much you use muscle it works. And the as the Europeans themselves. There market in 1992. It will be treated But the commission concedes with a different kind of respect.

# JAPAN: A Growing Concern That EC Unity Will Present New Barriers

sue that at all costs," a West European diplomat said.

The first wave and in March

an officials have so far indicated, be subject to negotiation?

• What will be the extent and (Continued from page 1) to be taken as an opportunity for Europeans, I suspect they want to

exploit it to its fullest extent." Improved ties with Europe and the notion of a trilateral alli-ance among the United States, Europe and Japan - have been constant themes in Japanese political and intellectual circles for more than a decade. Underlying these ideas in recent years has been a perception of the United States as a less reliable ally and a less tolerant

trading partner. But while the European theme is not new in Tokyo, it has been pur-sued with markedly increased vigor under Prime Minister Noboru Takeshita, Japanese and Western analysts say. In effect, Europe's unification and the dramatic rise in the yen's value are adding substance to what had been one of many policy concepts in Tokyo that are long on talk and short on content.

Market unification and its impact on Japan-EC relations was a central issue during Mr. Takeshita's two trips to European capitals this spring. In interviews, Japanese officials now stress the importance of a bilateral committee Mr. Takeshita agreed to establish to monitor the EC's integration process before and after 1992.

Similarly, a dramatic increase in Japanese investment in Europe last year reflects both the optimism and anxiety of Japanese manufacturers, executives and officials say. In part Japanese businesses are eager to take advantage of opportunities afforded by a unified market with no internal boundaries; but they are also concerned that investment may be more difficult after 1992.

inside, and the Japanese will pur- companies or will they, as Europe- Round of multilateral trade talks.

In the fiscal year ending March 1987, Japan's direct investment in Europe increased by 90 percent, to \$6.58 billion. Europe's share of total investment abroad by Japanese companies rose from 15 per-

cent to almost 20 percent. Apart from such growth, the investors in Europe.

Japanese businesses are eager to take advantage of opportunities afforded by a unified market, but they are also concerned that investment may be more difficult after 1992.

quality of Japanese investment appears to be evolving away from the screwdriver plants" that have pro
• Will national limits, such as as 1992 approaches, local economists say, because Japan stands at the brink of a new generation of voked Enropean ire in recent years. Instead of using local-assembly facilities simply to avoid dumping tion of market share, be applied on charges and increase exports, mana communitywide basis?

• How will local-content regula-

become practically European, with all the public and government sup-port that entails," the European diplomat said. "This is changing the Japanese approach."

While the EC has yet to enunci-

ate the external policies that will accompany integration, Japan's range of issues in both manufacturing and services industries:

"It's almost impossible to have

pretending that the Japanese com-

ponents have been made in the EC.

The community is keeping a close eye on the nature of Japanese

investment in Europe because very

little appears to be invested in in-

total reciprocity," a government of-ficial said. "If this is used to obtain duration of European protection of the maximum, we're going to have "sensitive" industries such as com- some difficulties." puters, electronics, telecommunica tions and autos? Concern on this issue is the main reason, executives say, that Japanese automakers are on a given issue - will effectively emerging among the heaviest new

stringent local-content rules.

companies operating in Japan?

More broadly, Tokyo's concerns revolve around whether the nation

with the most conservative position dictate policy. One example of this is the long-standing set of restraints imposed bilaterally on about 100 Japanese

products, ranging from antos and motorcycles to silk, televisions and machine tools. Japan is eager to assign the same deadline for the EC's integration to the removal of these barriers. Preserving open markets is likely to become increasingly important

• Will national limits, such as as am's informal, industry-to-indus-try agreement based on a proporoped. This makes it essential, these charges and increase exports, manufacturers are increasingly concerned with projecting themselves as good local citizens, European officials say.

They've seen how U.S. compating made in-Britain cars in g a cautious approach to recent from selling made in-Britain cars in g a cautious approach to recent U.S. suggestions that the two nations study the establishment of a analysts believe, for Japan to avoid

• Among services industries bilateral free-trade agreement simi-such as banking how — and how stringently — will European nations impose requirements for re-ciprocal treatment of EC-based viewed here as having reached a point where such an arrangement The reciprocity issue is especial-wormsome in Tokyo because adverse reaction from Europe and may be justified, officials fear an Japanese investment has tradition—elsewhere, ally been concentrated in the finan—At the s

At the same time, officials leave • While commercial rights accial sector and because internation-little doubt that Tokyo's attitude quired before 1992 will be respect- ally accepted regulations governing toward institutionalized ties with ed. will the additional advantages services trade are only now being the United States will be influenced The main idea is to be on the of unification be open to foreign discussed under the Uruguay by developments among EC ide, and the Japanese will pur- companies or will they, as Europe- Round of multilateral trade talks.

# American Exchange Options

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#### **SIDELINES**

#### S. Africa Says Fans Barred From Seoul

JOHANESBURG (UPI) - South African speciators have been banned from attending the Olympic Games in Seoul, government sports

Dennis MacIldowie, the national Olympic committee's deputy direc-tor, said that travel agents and an international sports federation, which he declined to name, told him of the ban for the Sept. 17-Oct. 2 Games in Secul. He said he assumed the ban had been approved by the International Olympic Committee.

South Africa has been barred from Olympic participation since 1960 because of its apartheid racial policies; South African spectators were barred from the 1968 Games in Mexico City.

"We've been told by travel agents that no visas have been granted, and one of the major sporting bodies told us that South Africans will not be allowed into South Korea during Games," MacIldowie said.

#### U.S. Pro Soccer Gets 3-Tiered Program

PHILADELPHIA (AP) - The U.S. Soccer Federation on Saturday unanimously approved a three-tiered plan to build the foundation for a major professional league by the early 1990s and to prepare the national team for World Cup play. The United States, which has not made the cup finals since 1950, will get an automatie berth in 1994 as the bost team. The structure would comprise:

 A 32-team professional league whose teams would play a year-round schedule of between 40 and 60 games, including contests against teams from Europe and South America.

 Four eight team semipro leagues that would emphasize regional play; there currently are such leagues on both coasts. • Eight 12-team subregional amateur leagues in traditional soccer

areas around the country. "As soon as we get the bottom level established and the middle level going," said Werner Fricker, president of the USSF, "we can work on getting a professional league in operation. I'd like to see all three levels in place by 1992 or 1993." The North American Soccer League, the last oatioowide pro league, folded in 1985. Fricker said the program's goal is to establish the framework for developing U.S. soccer players who can successfully compete at the world level.

#### **Cup Series Moved to Early September**

SAN DIEGO (UPI) — The San Diego Yacht Club and Mercury Bay Boating Club of New Zealand agreed late Friday to begin the America's Cup races in early September to avoid competing with the Olympic

It was the first agreement between the two sides since New Zealand last summer issued its challenge to face the Americans in a 90-font (27.43-meter) waterline yacht. The SDYC will counter with a catamaran that is less than half that size but most observers expect it to be much faster.

The New York State Supreme Court last week ended a cycle of lawsuits by ordering the races for Sept. 19, unless the two sides could agree on another date. The two-of-three-race series is now set for Sept. 7. 9 and 11; the Summer Games will beheld in Seoul from Sept. 17-Oct. 2.

#### 3 Tied for Lead in U.S. Golf Tourney

GRAND BLANC, Michigan (AP) - Howard Twitty bogeyed the final hole Saturday to move into a three-way tie with Steve Elkington and Scott Verplank after three rounds of the Buick Open golf tournament. Elkington, a 26-year-old Australian who started the day three strokes behind leader Verplank and one in back of Twitty, shot a 5-under-par 67 and was tied at 14-under-par 202 with Twitty, who had a 68, and

Verplank, who shot a 70 after firing 66s in his first two rounds. Ken Green, the 1985 champion here, shot a 65-203 while Dave Eichelberger stood at 67-204.

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description

• Gary Gaetti of the Minnesota Twins, asked to rate the thrill of playing his first All-Star game: "It's right up there with lobster." (LAT) in his first All-Star game: "It's right up there with lobster."

O New York Times, edited by Eugene Maleska

11 Consent 12 Defeated one

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# S. Korean Hopefuls Endure Olympic Boot Camp By Michael Shapiro New York Times Service SEOUL — In a nation where soldiers are everywhere, the South Korean Olympic team is going to boot camp. Outfired in combat fatigues and Outfired in combat fatigues and Defeat They spend the morning and afford a first "At first their performance drops because they can't adjust to the intensity. They miss song again and again. There are a few diversions. In the recreation center. for instance and teating a week I allow them to have disconstance. There are a few diversions. In the recreation center. for instance and teating and a subject to their familiary and the morning and afford the same song again and again. There are a few diversions. In the recreation center. for instance are subject to their familiary and the morning and afford the same song again and again. There are a few diversions. In the recreation center. for instance are subject to their familiary and the morning and afford the same song again and again. There are a few diversions. In the recreation center. for instance are subject to their familiary and the morning and afford the same song again and again. There are a few diversions. In the recreation center. for instance are subject to the intensity and the morning and afford the same song again and again. There are a few diversions. In the recreation center. for instance are subject to the subject to the intensity and the same song again and again. There are a few diversions. In the recreation center. for instance are subject to the intensity and the same song again and again. There are a few diversions. In the recreation center. for instance are subject to the intensity and the same song again and again. There are a few diversions. In the recreation center. for instance are subject to the intensity and the same song again and again. There are a few diversions in the recreation center. for instance are subject to the same song again and again. There are a few diversions in the recreation center for in

late parachute jumps, hike with full rope bridges and do jumping jacks when they sing the wrong songs for the drill instructor.

South Korea wants more than a reputation as a good host for the Summer Games, which begin Sept. 17. It wants winners, too.

And, in keeping with the spirit of relentlessness that drives this nation, athletes are being pushed, coddled, badgered and sent on forced marches in the pursuit of glory.
"People are expecting many gold."
Games."

medals in the Olympie Games," said Kim Jip, who heads the nation's Olympic delegation. "That is really a headache for me."

It is rare, Kim said, for him to go to a party and not be asked how many gold medals the nation will win. He is forever reminded that South Korean athletes woo six golds at the Los Angeles Games in 1984 and is told they will surely win more in Seoul.

"I tell them that was Los Angeles," Kim said, recalling the boycott by the Soviet Unioo and its allies. "If the Eastern Europeans were there we would have won one

Still there has been talk of 15 gold medals. Then of 12, and 10 Now, Kim said, "six is our tar-

You can search all the newspa-

pers and broadcasts," be said. "I never stated a number of gold med-als before. Even six will be a very hard job for us." To that end, the Olympic team is sequestered in the Taenung training facility, on the outskirts of

Seoul, Taenung, opened after the 1964 Tokyo Games, is remote, bucolic and a little bit like purgatory. Soldiers patrol the grounds, which are extensive, quiet and seem to be far removed from the din and frenzy of the city.

The silence is broken by the singing of birds, the barking of coaches and the bellowing of athletes, urging themselves on.

Athletes rise at 6:15 each morning for group aerobics. "I never seem to recall the music because I'm always half asleep," said Park Chung Hoon, a gymnast.

WEATHER

There is one day off a week, as is back in time."

packs, jump into rivers, negotiate the case for the rest of the nation. Across the wide training room

Outflitted in combat fatigues and strong determination!" "The hope cause we're only allowed to spend of this nation is a gold medal!" one night away and they won't set one in which mechanical around.

"It's extremely difficult for the the young gymnasts practiced their beginners, especially the young landings from the uneven parallel

manding, it still offers the athletes a haven from the ceaseless inquiries hogs are pounded with a mallet.

The game is emblazoned with the mind. about their condition and state of

words "Down with communism." "There is music, billiards, table better to keep the outside away,"

avoid them.

"They put microphones in front of your face and ask: Will you win a gold medal this time?" Are you firm in your determination to win medal?"

The pressure is especially intense; for those deemed most likely the

"Most of the people here feel it's

track, because August is the only month

where New York race-trackers turn sociable.

The rest of the year, they scatter into New

York and Long Island as soon as the ninth

race is official, but in August, they are thrown together day and night. Owners, trainers, jockeys, grooms, officials and fans rent adja-

cent houses and apartments in town, eat in

the same restaurants, drink in the same sa-loons and buy their Racing Forms at the

The residents of Saratoga Springs delight

in this annual invasion, because they ring up half their annual receipts during August and

can pay their yearly property taxes by renting

Several years ago, I took a modest two-bedroom house within walking distance of

the track from a pleasant husband and wife

who said they were renting for the first time.

The place was in sparkling condition oo my arrival, a check was handed over, and the

renters bade a folksy and cheerful farewell as they walked out the back door: "Just boller if

you need anything!"
They meant it. Just 20 feet off the patio.

they had parked their trailer, where they

proceeded to reside for the month. They had

even run an extension of the house telephone

There was oo way to retaliate. The renters

said the house and only the house was mine,

as specified in the contract, and it would have

taken longer to litigate the matter than the

meeting lasted. I accepted my fate as cheer-

Then one day these landlords decided to

attend the races, no doubt bankrolled by my rent money, and had the gall to knock at the

back door and solicit my advice in selecting

can be absolutely brilliant, and I certainly

Sometimes, under pressure, a handicapper

But renters are advised, as always, to check

out their homes for the month.

their contracts carefully.

out to their quarters.

fully as possible.

In June 1987, the nation's tops female track star, Lim Chun Ac. was hospitalized with a broken cut-drum after she was beaten by him. coach for turning in poor times in

The coach, Kim Pum II, was a punished by the Korean Amala Sports Association.

A spokesman for the association A spokesman for the association was quoted at the time as saying that the beating was understand, able because the coach was only trying to push his athlete to spe

"It is an open secret that coaches slap and whip their athletes on the buttocks during training." spokesman said. Lim, too, said she understo

Lim, too, said she understood why she was beaten. It blame man self for not having done my best manifered my record, she said improve my record, she said to a better chemistry between us.

Kim Jip said he expected Kommon athletes to fare best in boxing a chery, judo and wrestling.

Kim Soo Yong, an 18-year-old archer, is regarded as one of the nation's best hopes for a gold. He

nation's best hopes for a gold. Her coach, Yi Ki Shik, is doing his best to shield her, if only to lessen the resentment her teammates might feel.

"These archers are still adoles, cents," Yi said. They're very young and impressionable. I won't allow journaists to approach Sop. Yong because if she gets all the attention I have to think of wint. the others might think. "You can imagine what it's like

for her. Soo Yong knows how much everyone wants her to win the gold; medal. But she doesn't trust herself. She starts asking, 'Am I really this good?

ticed in the rain. . They stood side by side, shot?

their arrows, took the long walk to retrieve them and then took aim -: again, never smiling, pausing, talking or even looking at one another. Nearby, the men's team took and cigarette break.

#### VANTAGE POINT/Steven Crist

# At Last, Perhaps, Summer at the Races

NEW YORK — The borseplayers of Bel-mont Park, never exactly a cheerful lot, are even more sour than usual these days. With particular urgency, they have been counting the hours until Saratoga opens Wednesday. The Belmont meeting, with Saturday its 70th of 72 days, has been with them too long.

July afternoons at Belmont are always the dog days of the season, as bleak in their own way as blustery February programs on the Aqueduct winter track. It is a time of hiatus. between the Belmont Stakes and the Travers, between the first half of the season, which ends with the Triple Crown, and the second, which begins in Saratoga.

This year, the wait seemed endless, mostly because of the violent swing of the weather, from drought to storms. First the dirt track and the turf courses became unusually hard and dry. Then the grass was so thoroughly drenched that grass racing had to be canceled: Saturday's Sword Dancer Handicap was the first grass race run in New York since July 18.

The problem is that when grass races are canceled, they are switched to the main track, a surface on which many of the entrants cannot perform terribly well. Most are scratched, leaving fields of four or five to contest races at unusually long distances. There is no drearier sight than that of four cheap horses struggling to negotiate 11 furlongs on a sweltering afternoon.

The steady diet of these mind-numbing events would have been more palatable if spiced with even a bit of top-notch racing, but that has been in short supply as well. Trainers have been keeping their good borses in the barn, waiting for steadier weather and Saratoga, and the fields for the best stakes races have been terribly slim for the last month. Only four horses ran in the Tom Fool and the Brooklyn Handicaps, and just five turned out for the Suburban.

Officials of the New York Racing Association have acknowledged that the sport has been dismal of late, but say that controlling

NORTH AMERICA

3737

ANDY CAPP

the weather is not among their duties. They are looking forward to the move up the Gov. Thomas E. Dewey Thruway this week, although not with the usual excitement: The coming meeting in Saratoga Springs has less box office appeal than most.
The Travers Stakes, usually the centerpiece

of Saratoga, is coming up as a dud because none of the winners of this year's Triple Crown races will be there. Winning Colors, the filly who woo the Kentucky Derby, is still recuperating and is unlikely to race until September. Risen Star, the Preakness and Belmont winner, has already been whisked

It may take the women and children of the equine world to provide most of the excitement this year at Saratoga.

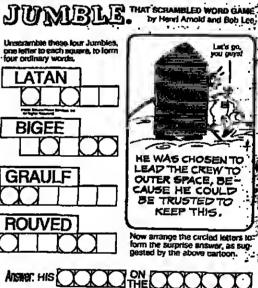
off to stud. Forty Niner, Seeking the Gold and Private Terms, who met in Saturday's Haskell Handicap at Monmouth, New Jersey (Derby nunner-up Forty Niner outlasted Seeking the Gold by a nose) are the leading Travers candidates. They are nice enough horses, but all were regularly beaten by Risen Star. Nor is there an inspiring late-bloomer on the horizon.

It may take the women and children of the equine world to provide the most excitement this year at Saratoga. The likeliest stars of the meeting are Personal Ensign and Houston. Personal Ensign, the 4-year-old filly who is undefeated in nine starts, will race against males for the first time in the Whitney Handicap on Aug. 6. Houston, a 2-year-old Scattle Slew colt who made an impressive debut at Belmont last week, is being pointed for the Sanford on Aug. 17 and the Hopeful 10 days

was that day. I gave them a hot horse in every race and, just as I hoped, not one of the nine Half the fun of Saratoga comes off the



THE MITCHELLS SENT HIM TO CAMP. THE CAMP SENT HIM BACK!



Jumbles: SANDY BASIN PLEDGE REBUKE in the spring the sky sometimes. SPRING A LEAK

#### 9 Cathedral city PEANUTS 10 Country rodent HAVE YOU STARTED TO READ "TESS OF THE THEY'LL SHOW IT ON TV. 24 Aromatic plant 30 DiMaggio was BLONDIE Asiatic bigwig





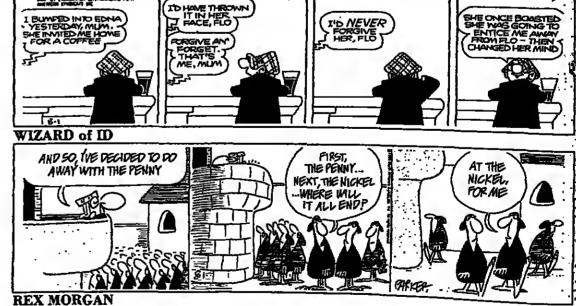








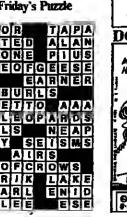








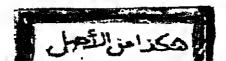
Solution to Friday's Puzzle











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gine general first seems yet and their first seems yet and the first seems yet and t the the second Flast p. Terms and only one for on Aces States in March the four-sum series is a series fine store of the few series in a store you have to keep the store of the beard as reserving the first in the store of the

who spains us.

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deletina pun while deseases, and force desired one, but was received the Rullin after allowants two sko son the centre Auffin Rifled Palmetre's RB1 sin-steemed meeting herween the steemed meeting herween the later Grey hermes won the first later 3, 1966, but score of 8-1 bas L Cardinels O: In Membre hading spaint St. Louis for has Matery without 2 loss to July Religios have were eight of 10

gentimen the term this year white Cardinals have been shut allies, the most in the NL Home & Rangers 1: In the 1581 Annual Lance, in Decree: Jack ter Mania and a series of the first sensinke!? holding Texas Pat ornalisal anhang colleight. Ond the Dome Marphy 201 1940 Falls Of and de winame run on his pass

5CV6 haping having 20 in 51 games wer holitic Class AAA later 5073

KOREBOARD ASEBALL

ity's and Saturday's Major

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sion to five games.

SUNDAY BASEBALL

Ading Palestinians

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their their alleged involvement is a
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secretarily the alleged involvement in of the Arab Studies Center in East Former for one year after police in a public distance in the predominantly levis Tanin Abu Zahara, head of as And 1 2 a 1 ... Not Zanara, head of as Aral 1.5 F2 ... im of organizing demonstrative arrests were seen as an effort to 1.5 E2. 2000 F2 following a recent decision by 1.5 E2. 2000 F2 following in the occupied way

Juts Stamp on Party 8 an Abecine Ben Ali shook up the year nicol many runs off the board as possi-ble. Durling said. "I'm sure they are pressing. They're going to score runs, everybody knows that, but I

tom of the land Bob Walk and drew a walk from Bob Walk and Strawberry hit his NL-leading 27th homer, bringing the crowd of 46,917, the Mets' fifth straight sell-and to its feet cheering. out, to its feet cheering.
Philles 6, Cubs 3: In Philadelphia, Mike Maddux held Chicago

11s 30 Malaysians

Mike Manning to custing to custing and walked one, but was relieved and walked one, but was reneved by Bruce Ruffin after allowing two scramble for first place.

enate on Arms Sales

was the second meeting between the first, on Sept. 29, 1986, by a score of 8-3.

Expos 2, Cardinals & In Montreal, Dennis Martinez pitched a three-hitter against St. Louis for his fifth victory without a loss in July.

The Expos have won eight of 10

e to Roads in France its last seven games.

first day with the Tigers.

gave up Rafael Palmeiro's RBI sin-

3d Time; Lead at 5 national League, was brought up Sunday to replace the disabled Gary Pettis. He singled in the fourth for NEW YORK - Darry! Straw-bery hit a two-run home run and Ros Darling pitched a six-hitter his 1,000th major-league hit, then singled in the sixth and scored on Matt Smiday afternoon as the New York

**Mets Defeat Pirates** 

Mets beat the Pittsburgh Pirates Nokes's double to end a 1-1 tie, for the third straight game, this time by 2-1, to lengthen their lead in the National League East Divi-Yankees 6, Blue Jays 3: In Toronto, Rickey Henderson led off by reaching base for the 13th consecutive game and had three singles as New York kept pace with the Tigers. The Mets won their fifth straight overall while the second-place Pi-

Jimmy Key gave up nine hits in 4% innings in his first loss in the live starts he has made since arthmak, having scored only one run on 13 ingles during the weekend, faced Dwight Gooden in Monday night's finale of the four-game series. This is one of the few series I've roscopic elbow surgery. The Yan-kees scored four runs in the fourth on Don Mattingly's RBI double, run-scoring singles by Dave Win-field and Jack Clark and Joel Skinever seen where yoo have to keep as

ner's squeeze bunt George Bell started in left field for the Blue Jays and went zero-for-two after being benched three consecutive games.

Twins 12, Indians 4: In Cleve-land, Tim Laudner hit a two-run homer in the lifth and drove in the first of nine runs in the sixth as Minnesota recorded its biggest in-

ning of the year.

The Indians made two errors that accounted for four of the Twins' runs in the sixth, when 13 batters

by Jose Lind and Andy Van Styke
and the most experient of an unput and the most experient of the Sicilian capital of the first time in 38½ imnings that the fly and his first homer in Fenway park since July 25, 1987, as the Red covered in Shea Stadium.



Milwaukee catcher Charlie O'Brien, diving vainly into the Fenway

Compiled by Our Staff From Dispatches DETROIT - Walt Terrell pitched a five-hitter Saturday night and the Detroit Tigers, scraping together two runs on one bit in the third inning, beat Texas, 3-0, to two relievers keep the lead in the American to four hits. League East Division's three-way

Detroit stayed ahead of New York and Boston as Terrell struck out four and walked none for his third straight complete game, but his first shutout since June 26,

Three Rangers reached third base, the second being Pete Incaviglia on a one-out triple in the seventh after he had struck out in his seven previous at-bats.

Terrell's teammates got all the runs he would need off knackle-baller Charlie Hough in the third. with a single to out 12 times, the most in the NI. Luis Salazar led off with a single to Tigers 5, Rangers 1: In the right and Matt. Nokes walked After the single to the terms of the salazar led off with a single to the single to the salazar led off with a single to the Morris won for the first time in five runners along, Salazar scored on starts since June 27, holding Texas Pat Sheridan's ground out to secking out eight, and and Nokes scored on the first while Dwayne Murphy got two hits of catcher Geno Petrallia's two

and scored the winning run on his passed balls. Hough allowed only four hits, It was Detroit's sixth victory in struck out five and walked five in seven innings, but the Rangers and Jose Canseco hit his major-

games, while John Candelaria and of the West-leading Dodgers. two relievers limited the Blue Jays Mets 3, Pirates 0: In New York,

Red Sox 3, Brewers 2: In Boston,

SATURDAY BASEBALL

ters in pitching a seven-hitter, and Marty Barrett's bases-loaded single in the ninth boosted the Red Sox. Augels 15, White Sox 14: In Chicago, Chili Davis homered from each side of the plate and drove in five runs for California, which hit

Twins 4, Indians 2: In Cleveland. Gary Gaetti hit a three-run home run and Allan Anderson held Minnesota to five hits in a game ended

by rain-after seven innings.
Royals 8, Orioles 7: In Baltimore. Danny Tartabull's three-run homer broke a fifth-inning tie, then

league leading 28th home run. Astros 14, Dodgers 6: In the Na- shared the mark at 12. (AP, UPJ)

Yankees 3, Blue Jays 1: In To-tional League, in Los Angeles, Alex ronto, Rickey Henderson scored Trevino's two-run homer during a two runs, including one in the first inning for the ninth time in 10 moved Houston to within 3½ games

Howard Johnson homered in the fourth and Sid Fernandez struck Roger Clemens struck out 13 bat-help shnt out Pittsburgh for the Bowls and two Super Bowls. He fourth consecutive time in Shea Stadium.

Giants 2, Braves 1: In San Francisco, Kelly Downs and Craig Lefferts held Atlanta to six hits and, in the eighth, Will Clark doubled in

the winning run with his league-leading 78th RBI. Phillies 3, Cubs 2: In Philadelphia, Juan Samuel's two-run homer mer Chicago Bear teammate, Ed against Chicago helped Don Car-Obradovich, who recalled that five home runs and rallied from a 9man win his fourth straight as the George Halas, the team's late patri-Phillies ended a four-game losing arch, once said: "When the history

> Wallace Johnson's two-out RBI single in the ninth beat St. Louis. Reds 2, Padres 0: In San Diego,

# A Day to Reflect at the NFL Hall of Fame

By Thomas George

New York Tunes Service CANTON, Obio - That click, click, click heard during the Pro Football Hall of Fame's silver anniversary fanfare was Mark Bellarmie's camera, capturing some golden moments provided when Fred Biletnikoff, Mike Ditka, Jack Ham and Alan Page were enshrined.

"Man," said Bellarmie, 28, of Canton. "I grew up watching these guys. I used to have an electric football and bellarmie, Biletnikoff and Ditka were good for me in the clutch. Ham and Page always made the big plays. I used to dream about 'em.'

Saturday's overflow crowd of nearly 13,000 - seared in wooden folding chairs and in lawn chairs, nestled oo their knees on the hills and even camped along the freeway railing in 90-degree (32-centigrade) heat — seemed to agree. They stood and cheered as the ranks of

the hall of fame swelled to 144. For the inductees, it was a day of reflection, too, a day for each to remember his roots, especially Page, who was in his hometown. The others grew up within 150 miles (241 kilometers) of this city and the building where their hronze

husts were unveiled. "We signed Fred Biletnikoff on January 2, 1965, at the Gator Bowl under the goal post," said Al Davis, the Los Angeles Raider managing general partner, who introduced

Biletnikoff "In all of his seasons with us, the Raiders never had a losing season," Davis said. "The loose sleeves, the socks hanging down below the bony legs, the hlack eyes, the hands, the Stickum on his stockings. Genius comes in many config-

urations." Biletnikoff played 14 years as a wide receiver with the Raiders, who were in Oakland then. He caught 40 or more passes in 10 consecutive seasons, a National Foothall League record he shares with an-other Hall of Famer, Raymond Berry, now the coach of the New England Patriots.

was voted most valuable player of the 1977 Super Bowl, in which the Raiders beat the Minnesota Vi-

"I was proud to be a pro football player," Biletnikoff said. "I still love it. I hope it gets better and better.

Ditka was introduced by a forof professional football is written, Expos 2, Cardinals 1: In Montre-al, Tim Wallach's sacrifice fly and greatest tight end in pro football history.

Starting in 1961, Ditka, who is entering his seventh season as Chibases-empty shots for Kansas City.

Athletics 5, Mariners 2: In Scatteanmate John Franco got the last and Dallas. He is recognized for hitter for Oakland, striking out nine, and Jose Canseco hit his major-layer in a month, with his league leading 28th home was

would be," Ditka said. "I look at all the great men who have made it here - I'm not sure what it all means. Many men have talent, but talent itself has no accomplishment. Talent is recognized when men pursue it and use it with a passion. I think that's what this is all about.

Joe Paterno, Penn State's head coach, introduced Ham, who played for him. Paterno said: "Jack is a professional. Jack is a hero. There are people that enter and the hall gives them honor. And then there are those small few when they enter that give more honor than they receive. Jack Ham is one of

Ham was a linebacker for 12 seasons with the Pittsburgh Steelers and played in the four Super Bowls the Steelers won. He was selected for eight consecutive Pro Bowls from 1974-81.

"I've always been associated with and been around winners," Ham said. "This is what this is all about to me."

Page was introduced by Willarene Beasley, principal of North Community High School in Minneapolis. She gave him credit for seeking a law degree after football and for his position as a state assistant attorney general. She said he was a role model, having combined education and athletics.

Page played 15 NFL seasons, starting with the Vikings in 1967. In 1971, he became the first defensive player to be named the league's most valuable player. He was in nine consecutive Pro Bowls (1968-

1976) and four Super Bowls. "Very few will receive the lavish



**MONDAY SPORTS** 

WEMBLEY WOE — A cheerleader for the San Francisco 49ers grimaced as rain poured down on her poncho during Sunday's NFL exhibition game in London. The Miami Dolphins won, 27-21.

door slams quickly on the unpre-pared and uneducated. We must 14-7, in the first exhibition game of educate our children. We don't the season. A crowd of 23,801 at

Schonert ran four yards for a The NFC leads the series, 9-8-1.

praise I have for playing a game touchdown and passed four yards called football," Page said. "The for another as the Cincinnati Ben-Fawcett Stadium watched the 18th After the ceremonies, Turk AFC-NFC Hall of Fame game.



Riday's and Saturday's Major League Line Scores

FRIDAY'S RESULTS Wegrum, Nieves ) 4) and C.O'Brien. Su (7); Hurst, Stanley (7), L. Smith (9) and

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Despair 910 908 903-3 5 0
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Solderinger, Mortgomery (6) and Lower:
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NATIONAL LEAGUE Smiley and Lavoitiers; Oleda and Carter. San Francisco
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SATURDAY'S RESULTS AMERICAN LEAGUE 800 625 886-2 7 6 816 861 607-3 76 1

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Texas see so se so see so see

ort and Steinbach; Moore, Jackson (B).

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Sorbilife, Pico (7) and Berryhill; K.Gross, Sorbilife, Pico (7) and Parrish, W.Sur, Sorbilife, Pico (8) and Parrish, W.Sur, Sorbilife, Pico (8) and Parrish, W.Sur, Sorbilife, Pico (9) and Read; J.Jones, Grunt (7) and Parrish, W.Sur, Pico (22), W.Sur, Pico (8) and Parrish, W.Sur, Pico (22), W.Sur, Pico (8) and Parrish, W.Sur, Pico (22), J.Jones, Franco (23), M.Gartisford (9) and Sorbivasia.

W.Deleon, 7-E. L.—Perez, 7-S. Sv.—Worrell

W.Deleon, 7-E. L.—Perez, 7-S. Sv.—Worrell

**Major League Standings** AMERICAN LEAGUE

99 43 578 — 54 47 544 375 54 46 529 55 51 52 495 672 47 57 452 13 35 67 343 24

TRANSITION

pitcher, to Boston fer Brody Anderson, out-fielder, and Curt Schilling, pilcher, an BOSTON—Placed Dennis Boyd, pilcher, an BOSTON—Piaced Dennis Boyd, pilcher, on the 15-day disabled list.

CLEVNILAND—Piaced Bud Block, pitcher, on the 15-day disabled list, retroactive to July 19. Colled up Rod Nichols, pitcher, and Ron Tingley, catcher, from Colorado Sorings pit the Pocific Coast League. Sent Dan Firovo. catcher, sutright to Williamsport pi the Costern sutright of Williamsport pit the Costern League.

Hal Morris, first basemon-autilieider, from Columbus of the International League. Opflored Al Leiter, pitcher, to Columbus. OAKLAND—Signed Ron Witmeyer, first SEATTLE-Placed Dave Valle, catcher, on

the 15-day disabled list, retroactive to July 23.
Purchased the contract of Bill McGuira, catcher, from Cataory of the Pacific Coop League. Attanta—Placed Bruce Sutter, plicher, on the 13-day disabled list. Recalled Joe Bo-eyer, pitcher, from Richmond of the Interna-tional League.

LOS ANGELES—Activated Padra Guerra-porteiter, from the 21-day disabled list. ro, infleider, from the 21-day disabled list.
PHILADELPHIA—Activoted Bob Demier. outfleider, from the ZI-day disabled list. Sent Temmy Barrett, Infielder, to Maine of the

injernational Leogue. BASKETBALL CHICAGO—Agreed in terms with Will Per-OENVER—Signed Danny Schayes, center, to a six-year contract.

MIAMI—Signed Kevin Edwards, guard. FOOTBALL National Football League
OETROIT—Signed Jim Armid, punter, and
NFL Exhibition

OETROIL—GREENSING BORNESS CINCINNOST 14, LA. Roms 7

TENNIS

Steff Grai, West Germany, del. Raffaelk Reppl, Italy 6-0.6-0; Katerina Maleeva, Bulgar la, def. Isobel Cueto, West Germony, 4-2,7-6 (8-6). Rodka Zubrokova, Czechoslovakia, dat. Silke Meler, West Germany, 6-2, 6-1; Bettina Fulca, Argentina, det. Sandra Cecchini. Italy.

Graf det. Fulca. 6-2, 6-3 Maleuva det. Zubrakova, 2-4, 6-1, 6-1, Plani Graff det. Maleuva. 6-4, 6-2 MEN'S TOURNAMENTS Poul Annocone 113), U.S. dal, Morty Davis Poul Annocone 113), U.S., 64f, Morty Devis, U.S., 64, 44, 7-5; Dorren Cohill 19), Australia, del. Roger Smith. Bohamas, 6-3, 4-4, 6-3. Dan Goldte 112), U.S., det. Jim Courier, U.S., 6-4, 4-6, 4-5, Andre Aossal (2), U.S., def. Jay Berger 119), U.S., 6-1, 1-4, 6-3.

Semificals
Annocone daf. Cahill, 6-4 6-3 ossi def. Goldle, 6-2, 6-3. ossi det. Annocone, 6-2, 6-4. )At Bordecux) Final

man, has retired. KANSAS CITY-Signed Bill Mags, nase NEW NNGLAND-Signed John Stephens.

running book, to a three-year contract. NNW ORLEANS—Agreed to torms with Mel Gray, kick returner, on a two-year con-.. HILADNLPHIA—Aculted Dan Rema eves, offensive tackle; Garry Cobb.

FOOTBALL **CFL Standings** 

Western Division

0 3 0 51 (22 0

French First Division

Sola1-Ntienne 2, Lens 4 Nice 3, Matra Racing 2 Cann 0, Manaca 3 Paris St-Germain 1, Nontes 0 Auxerre 2, Metz 1 Lille G. Bordeoux 1 Toulouse G. Marseille 0

Sochoux 3, Loval 8
Montpellier 1, Strasbours 0
Pelatis: Sochoux, Touton 18; Paris 31-Germain, Bordoux, Auxerre 9; Montpo, Lille,
Toutouss, Nice 7; Montpellier, Northes 5; Strosbourg 4; Lans, Marsellie, Matra Racing, Metz,
Loval, Connes 3; Saint-Eltenne 1; Case b. **West German First Division** 

Stuffgorf 2. Homover 1 Kalserslautern 0, Werder Bremen 0 Karlsruhe 2. Bayern Munich 2 Bayer Levertusen 3. Bar. Mänchenglad Bochum 0, St. Paull 8 Bachum 4, 51, Paull 8 Eintracht Frankfurt 1, Bluttparter Kickers 2 Bayer Verdingen 0, Woldhof Mannheim 8 Nuremberg 9, Cologne 2

Nurembers & Cologne 2 Points: Stuffoart 4; Bavern Munich, Baver Leverkusen, Cologne, Kortsruhe, Bochum, Werder Bremen 3; Borussio Mönchenglad-bach, Stuffpart Kickers, Woldhof Monnheim, Bayer Uerdingen, Nurembers 2; Borussio Dorthmund, Hombura, St., Paull, Kaiserslou-tern 1; Honover, Eintracht Frankfurt Q.

and Jimmle Gites, light end. Wolved Alike Kelley, offensive lineman, Cric Hedgeman, defensive end. and Sean McInerny, defensive tackle. Annexized the retirements of Bobby PITTSBURGH-Signed Chuck Lanzo, of-

SAN OIEGO—Traded Jim Lachev, aften-sive tackle, to the L.A. Raiders for John Clay, offensive tackle, and two unannounced draft picks in 1989. Signed Jeff Davis, linebacker. SEATTLE-Waived James Hood, wide re-

Catyer, Filipp retails in introduced in John St. defen-dett, aftensive lockle, Richard Cooper, defen-sive end. and Donald Wilson, safety. Announced Mitch Down, tight end. and Bob WASHINGTON-Signed Durryl Grent, de down before the punch. We gave New Jersey state boxing commistensive tockle, to a two-year contract and him five minutes to recover but he sioner, said that although the blow Perez's count reached five.

HOCKEY National Hockey League /AINNESOTA—Named Chuck Grillo direcfor of professional scouting and Les Jackson, director of amateur scouting, VANCOUVER-Named Rick Ley to cooch Milwoukee of the International Hockey

BRIGHAM YOUNG-Named Jim Osborne men's tennis coach.

DOMINGUEZ HILLS STATE—Named

'Double Trouble' Bouts Just That SOCCER

championship bouts that were hilled as "Double Trouble."

Chung's manager, Hoyun Chun, called for a rematch and said, "This is ridiculous A - A low hlow and a late hlow to stop the fight." The 147-pound (66.5-kilogram) doubleheader failed Friday night

its name. knocked out by Tomas Molinares

Honeyghan, who lives in Lon-don, retained his World Boxing Cortez and taken from the ring still Council title when South Korean challenger Yungkil Chung could right ankie in a splint.

not continue after being hit by a

An examination at A low blow 42 seconds into the fifth

In each case, the referee determined the outcome. Tony Orlando said Honeyghan's low blow was mintentional and Joe Cortez ruled that Molinares's knockout punch was thrown at the bell.

"I'm not really happy the way it ended," Honeyghan said. "He hit me low, too. I think he overreacted a bit. He could've got up." After the blow hit his protective cup, Chung dropped to the canvas and rolled around with an expression of pain. He was given five minutes to continue; after three minutes, his corner said he could not fight and Honeyghan was

fighter cannot win after receiving an unintentional low blow," said Steve Crossan, supervisor of officials in the fight. "In this case I saw Chung pull Honeyghan's head zard, a former referee who is the

awarded a technical knockout.

win like this." Honeyghan, who was ahead on to lead up to the hoped-for Lloyd all three judges' cards, improved to Honeyghan-Marlon Starling 33-1 with 22 knockouts in the first match, but it certainly lived up to defense of the title be regained

from Jorge Vaca in March. Chung fell to 25-4-2. Connecticut, lost his World Boxing Starling's fight had a stranger Association title when he was ending Molinares, who had trouble landing a clean punch all bout. of Columbia on a punch thrown threw a looping right to the jaw after the bell ended the sixth round. that knocked Starting face first to

> An examination at Atlantic City Medical Center determined that the ankle was slightly sprained.
> Starling said later from his home: "All I remember is the bell ringing, heading back to my corner

dazed about 15 minutes later, his

and turning around. That's it." "I wasn't knocked out, I wasn't even knocked down," Starting said in a postfight interview. "Did they count me out?" Starling's advisor, Mort Sharnik,

said he would protest the decision to the WBA. James Binns, the WBA counsel, said his organizatico probably would not rule on an appeal until its convention in late October. At a news conference after the bout, Cortez said that Molinares's

punch had been in motion before "Given the protective gear box- the bell rang. "As far as I was ers wear today, the rules state that a concerned," the referee said, "both fighters were throwing, and one of them connected." After reviewing tapes of the final seconds of the bout, Larry Haz-

Compiled by Our Stuff From Disputches said he could not continue. There-ATLANTIC CITY, New Jersey said he could not continue. There-fore, the referee had no choice but second late" he supported Cortez's contention that Molinares had started his swing before the bell.

Molinarcs, who improved to 23-

0 with 20 knockoots, said of the postfight furor: "I won the title in the ring, why are you trying to take it from me here?" Starling fell to 42-5-1. He had been leading on two cards and the other judge had it even. He had taken most of Molinares's punches

on his gloves and countered with stinging combinations. But he wound up an ex-champion. "I'm just glad he lost," said Honeyghan, who all last week had

openly expressed his dislike for Starling. (UPI, AP, NYT) ■ Jackson Retains Title

Julian Jackson of the Virgin Islands dropped former champion Buster Drayton of Philadelphia flat oo his back with a left hook Saturday to retain his WBA junior middleweight title oo a knockout with three seconds left in the third round, United Press International reported from Atlantic City.

Jackson had knocked down

Drayton with a right to the chin in the second round, but the challenger rallied late in the second and early third rounds. Jackson is 34-1 with 31 knock-

outs, Drayton is 36-11-1. Both weighed 153 pounds.

Drayton opened the third by pelting Jackson to the head. But with about a minute left in the round, Jackson found the range with hard rights to the head and body. He backed up Drayton, then caught him with a left hook on the jaw.

Drayton toppled backward and the doctors jumped into the ring. signaling an end, as referee Tony

# N. Zealand Jars Australia in 3d Rugby Test

Compiled by Our Staff From Dispatches

SYDNEY — A storming start by New Zealand's John Kiwran. forwards stunned Australia and led to a lopsided victory Saturday, 30-9, in the third and final test of a 214 test points. The previous best, 207 points, was series that began here on July 3. The All Blacks won the first test, 32-7, but were held

to a 19-19 draw in Brisbane on July 16. So the were outstanding among New Zealand's overpowering CEORGIA TNCH—Promoted Bernodette McGlode from women's bookerboil coach to concide utheric director. Normal Angus Berenoto women's bookerboil coach.

SAN FRANCISCO—Signed Jim Browlik.

SAN FRANCISCO—Signed Jim Browlik.

New Zealand ahead for good.

To a 19-19 draw in Brisbane on July 16. So the Wallabies had a chance to square the series against worlds. The All of 4-to-1 at Lloyd W.

New Zealand ahead for good.

> Placekicker Grant Fox, who never missed, finished with 18 points - four penalty goals and the conver- a penalty goal in the first half.

New Zealand ahead for good.

sions of tries hy Bruce Deans, John Gallagher and

Fox's tally gave him a New Zealand career record of reached by Don Clarke in the 1960s.

No. 8 Wayne Shelford and flanker Michael Jones

The All Blacks won the rucks and mauls by a margin of 4-to-1 and had a 30-3 lead late in the last quarter. Lloyd Walker scored a consolation try for the Wallabies, converted by Michael Lynagh.

Lynagh had come on for Andrew Leeds, who kicked (UPI, AFP)

fort to End Violence

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reds of the party's central comming.

Mr. Beurguiba had domined in party changed its name in party changed its name in p ce and district a practice that Me

The Mets now in the nine games between the the nine games between

But Strawberry quickly erased Sox successes that lead. With two out in the hotath bar home to 20 games.

in the north his brother, Greg.

Mike Maddux struck out four but was relieved

Sand S. relations to the was the second meeting between the

games between the team this year while the Cardinals have been shut

Murphy, batting 220 in 51 games were shot out for his second straight start.

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# A Population Explosion In the Museum World

THERE are an estimated 35,000 museums in the world and their number increases by 10 percent every five years, according to the distinguished museolo-gist Kenneth Hudson. In Hudson's native Britain alone, this year there is a new museum opening every 18 days.

wrong with museums is that the biological process is all wrong,"

#### MARY BLUME

Hudson said by telephone from Bath, where he lives. "You want to have birth and death. Well, in museums it's all birth and no

Of all kinds of museums, art museums show an exceptional growth rate but they are notably acking in ideas. Hudson says: "Truly pioneering art museums are very few. You get new art museums but they're still doing the same old things."
The Musée d'Orsay he regards

as a big French flag to wave at the world. Like James Stirling's Stuttgart museum it is the victory of packaging over content. The di-rector of the Stuttgart museum told me they didn't have a public relations or promotion hudget because they didn't need it, the building did that for them. People come and see the building, it's the bait on the bonk, and then they go inside. But inside they're not doing anything new at all."

In the last 30 years, Hudson says, there have been only two radically new art museums in Europe: the David d'Angers Gallery in Angers, France, and the Ruskin Gallery in Sheffield, England. They're both radically new. The others just put pictures on walls."

Both museums figure in the last chapter, "Pointers to the Future," of Hudson's latest book, "Museums of Influence" (published by Cambridge University Press). Both give what Hudson calls indepth presentation of one artist in an exciting environment, with top marks in innovation going to the museum devoted to Pierre-Jean David d'Angers (1782-1836), which shows not only his sculptures but gives an idea of the artist's own life and times.

Fishbourne, England), "Temples of Art" (including the Louvre,

ist's own life and times. and to the emotions and, secondall the possible questions about David d'Angers, it puts the lay- Northern Animal Park in Emman in the same position as the men, the Netherlands, to Frank-It's all ton much. "What's expert." In short, Hudson says, The artist becomes credible and the visitor remains full-size."

> Other museums that he considers pointers to the future are Anacostia, a controversial neighborhood museum set up in 1967 in a hlack district of Washington. D.C.: Tacubaya, a sort of combination mission and museum in a slum in Mexico City: the Brooklyn Children's Museum; two museums in Switzerland (the Sarganserland Museum in Sargans and Lucerne's Postal Museum); and the Sukuma Museum in Tanzania, which was founded in the

1950s and is devoted to preserving and encouraging the culture of the Sukuma, Tanzania's largest Of the 37 museums in 13 countries that Hudson has chosen as

"museums of influence," the Sukuma is the only one in Africa. There are none in the Middle East or Asia, although were the book to be redone in 10 years Hudson thinks one or two Japanese museums would be included. There is only one in the East bloc (The Museum of the History of the City of Warsaw) and mone at all in the Soviet Union, which has yet to compile a directory of its muse-

By "museums of influence" hroke new ground in ways so original or striking that other museums have felt disposed or compelled to follow their example. Their originality must fill a social need rather than merely express novelty, and their influence must be felt by the general public as

well as by other museums. He divides his selections into groups: "The Antiquarians and Archaelogists" (including the British Museum, the National

The two merits of this museum, Berlin's Altes Museum and both Hudson says, are "that it appeals the Metropolitan and the Muse-equally strongly to the intellect um of Modern Art in New York). "Man, Nature and the Environby that by attempting to answer ment" (ranging from what is all the possible questions about clearly one of his favorites, the

> furt's Senckenberg), "Science, Technology and Industry" (including the Arts et Métiers in Paris and the Museum of Science and Industry in Chicago), "The History and Customs of the Homeland" (from the Museum of the Army in Paris to the Museum of the Jewish Diaspora in Tel Aviv) and "History Where It Hap-pened" (Colonial Williamsburg in Virginia, the Ironhridge Gorge Museum in England, the Museum of Man and Industry at Le Creusot. France, and the Wasa war-

"I was looking for the people who really started something new against the people who picked it up later and possibly became better known," Hudson says. "This isn't a guide to the children, it's a guide to the mothers.

ship in Stockholm).

The mother, or grandmother, of the city museums that can now be found from Brussels to Buenos Aires was the Museum of the City of Warsaw, originally established in 1936 and rehuilt after the war. Other city museums, being more accessible, receive more attention and many more visitors but, says Hudson, while most such museums show the flesh of the city, "Warsaw has the blood and nerves as well. There is an eventful and at times terrible story to Hudson means museums that tell, and the museum tells it bril-

liantly." Another of Hudson's museums of influence that has been dimmed by its successors is the Arts et Metiers, or Musée National des Techniques, in Paris, a museum of what was then state-ofthe art technology that opened in 1799. "It hasn't been a museum of influence for so long that people have forgotten it," Hudson says.

The influence of his museum of influence is not necessarily for the Museum in Copenhagen and the good. He singles out the Metro-tiny Roman Palace Museum in politan in New York, for exam-

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Kenneth Hudson: "In museums it's all birth and no death."

habit of buying up the world." And the director of the British Museum, when asked if he felt his institution had been of influence. told Hudson that he felt it had -

for the worse. "All museums in Britain then had to be in the classical style with a huge portico and they all had to have the same complicated staffing structure, with all those keepers and curators, when what they needed was a more flexible less expensive system. So we've really been a very bad influence," the director said.

Because a museum was of influence, Hudson said, this does not mean that its influence persists. "When it comes to art museums, for example, I don't feel that in recent years the Louvre has been a pioneer in any way, but in its early years it was the first museum to have art from all over Europe as a result of Napoléon's looting with his armies."

Hudson, who has written copiously on museums and has acted as a museum consultant to UNESCO, thinks be is the only person who puts "museologist" as his profession in his passport, Be-

ple, only because it was the first fore that, he had "writer" or to start this enormous American "journalist," which occasionally caused problems at tricky frontiers. "Most people don't know what museologist means, they think it has something to do with music, so it's very safe.

"Actually I like to think of my-self as a museum critic," he adds. There are plenty of music critics and art critics and theater critics. but museum critics are a very rare

It is clear that his tastes as a critic tend toward smaller specialized museums and that he is fed up with constant tales of acquisition and growth.

"The art gallery I admire most right now I suppose is the Dulwich gallery in South London, which announced last year that it wasn't going to acquire any more pictures. It was simply going to do something with what it's got.

"The older I get the more interested I get in the small rather than the hig. I get more interested in chamber music and less in symphony concerts. I get more interested in museums of modest size and less in these gigantic places, I think they're becoming crazy. They're dinosaurs," he says.

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#### LANGUAGE

# Up a Mainstream Without a Paddle

By William Safire

WASHINGTON — "Kennedy and Johnson were both mainstream Democrats," wrote Richard Nixon in a recent memo to George is applied to the education of gift-Nixon in a recent memo to George ed, handicapped or retarded chil-Bush, explaining why he thought ed, handicapped or retarded chil-dren with others closer to the norm, and the training of handicapped parallels to the 1960 campaign and the training of handicapped They had no significant differences on issues such as strengthening the economy, defending the United States, or fighting the spread of Communism."

Then the man narrowly defeated by the Kennedy-Johnson ticket drew his distinction for students of the 1988 campaign, identifying Lloyd Bentsen, the vice presidential candidate, as "a mainstream Democrat. But Dukakis definitely is not." Rather, the presidential nominee was called a member of "the McGovern-Mondale wing of the Democratic Party."

The former president focused on

rect. "The mainstream is 100 elections are won. narrow, too elitist," he said. "What we need is a broad river. You get your yachts on the mainstream. We need a river wide enough for a big boat with a lot of people."

That daringly turned the metaphor of the majority upside down. In John Milton's 1667 "Paradise Lost," the poet first used the collocation (found together, but not yet joined) to mean "principal, most": "The neather Flood . . . now di-vided into four main Streames." The first figurative sense of the phrase was used by Thomas Carlyle in 1831, writing of "the Didactic Tendency . . . admitting that it still forms the main stream

... is no longer so pre-eminent."
The word came to mean "centrist, or reflecting the prevailing culture or attitudes of the majority," and was used in politics as a synonym for the tired "middle of the road." In June of 1963, Presideni John F. Kennedy told the Irish parliament in Dublin: "Ireland is moving in the mainstream of current world events."

A month later, New York Governor Nelson Rockefeller, competing an authority than William Strunk with Barry Goldwater for leader-ship of the Republican Party, Rule 1: "Form the possessive sin-charged that "well-drilled attram-gular of nouns by adding 's Follow ist elements boring within the par-ty" were "wholly alien to the broad nant. Thus write, Charles's friend,

the mainstream of Republican

The word has moved beyond

Paul Goldberger, the architecture critic at The New York Times, wrote of the architect Frank Gehry that he had been "neatly positioned in the last few years at the edge of the mainstream, neither too commercial nor too much the eccen-

The noun was used adjectivally in the early 1970s in the phrase mainstream smoke, meaning "the smoke passing through the length of a cigarette or cigar," as opposed to sidestream smoke, which just drifts off the tip.

Now it is applied to politics to mean "the dominant course." Al-Jesse Jackson did, too. When ac- though we now see that it can be cused of being out of the main-stream, he said his critics were cor-enough, it modifies the place where

> WE can all agree: The 1988 Democratic National Convention was Michael S. Dukakis's.

> But wait - not all do agree. Many will write, instead. 1988 Democratic Convention was

Which is it? When a word ends in how do you form its possessive? Do you add an apostrophe and another s, or do you just add the apostrophe and skip the additional

The Associated Press Stylebook and Libel Manual says this about forming the possessive of a singular proper name ending in s: "Use only an apostrophe: Achilles' heel, Agnes' book, Ceres' rites ... Moses law, Socrates' life, Tennessee Williams' plays, Xerxes' armies."

The New York Times says, "Almost all singular words ending in s require another s as well as the apostrophe to form the possessive: ames's, Charles's, The Times's. This is supported, I am reminded

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by Michael J. Healey, a political researcher at CBS News, by no less gular of nouns by adding 's Follow this rule whatever the final conso-

However, the clarity of The Times's rule is muddled with exceptions: "But the safter the appropriate is dropped when two more sibilant sounds precede the

Moses and rarely Moses's laws, or the steps of Jesus rather than Jeng's steps (which both The AP and Times would agree to express

Moses' lows and Jesus' steps).
The New York Times's style posts a second exception, regarding the vulnerable spot on the body of Achilles: "By custom . . . the possessive of an ancient classical name is formed with an apostrophe

only: Achilles' heel." That brings us to the headline over a column earlier this month by Cord Meyer in The Washington Times, "Dukaics' Achilles' heel by which the columnist adverted in what he considered the candidate's damagingly dovish foreign policy stands.

That headline's style had the vire tue of consistency, if it had in peared in The New York Times the copy editor would have had to go both ways: "Dukakis's Achilles.

My advice: Follow the sound a the language, as The Times's style does, and ignore The Times's exceptions (though it will be as hard as any of Hercules's labors). In the spoken language, the pos-sessive has worn off the heel of Achilles. Say the phrase alond vourself — When I'm dieting

cream puffs are my Achilles heel,". not "Achilles-ziz heel." So I write it without the possessive. On the other hand, we all say Xerxes's armies, don't we? So write it that way when next you wipe out the Spartans at Thermopylae.

So it was Dukette convenient for me. I am prepared to accept the possible confusion in the posses.

sive, "Kitty and Michael Dukakis," the AP would stick with "Kitty and Michael Dukakis," click dren," which is equally confusing, New York Times Service

Page II

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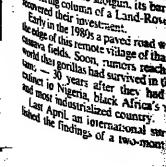
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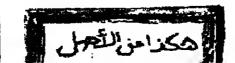
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